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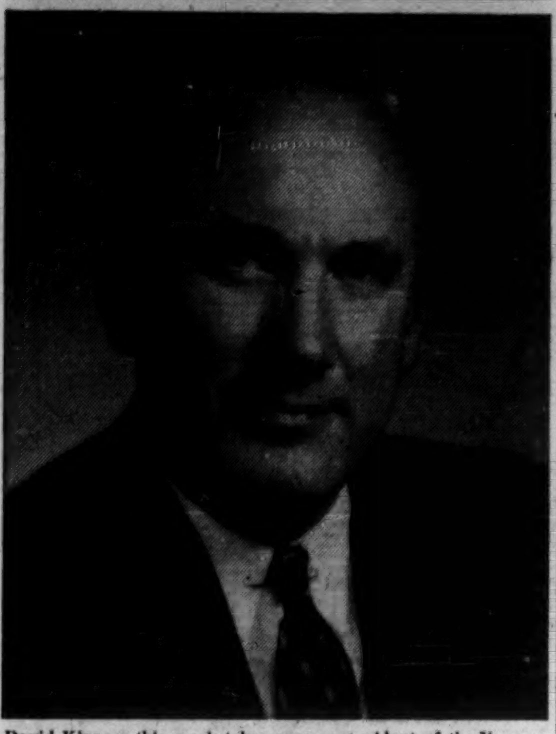
Heads Vancouver Board



David Kinnear this week takes over as president of the Vancouver Board of Trade. General manager of T. Eaton Co.'s B. C. division and member of the company's board, he now leads an aggressive body of some 2,700 businessmen who form the backbone of B. C.'s industrial expansion.

NATION'S BUSINESS

Party Game Exciting But Irrelevant

Some hasty judgments have been passed on Lester Pearson as Liberal leader because, it seems, he came off second-best in his first House of Commons clash with Prime Minister Diefenbaker.

Mr. Pearson has held his new post for just one week. He has much to learn, no doubt, about the art or science of leading a party. Meantime he is still the Lester Pearson, international statesman and man of peace, who was acclaimed last week by the assembled Liberals.

The prudence of his first move, a resolution inviting the Government to resign and hand over power to the Opposition, is debatable. It was an unfruitful action.

Perhaps Mr. Pearson will always be out of character in the role of parliamentary tactician and floor manager. Skill in manoeuvre is a useful knack in a party chief; but it is not the quality that puts Mr. Pearson where he is nor is it the highest attribute of statesmanship.

The Pearson motion drew only Liberal support and was defeated by the combined vote of the Conservative, CCF and Social Credit parties. What this proves is simply that a Liberal ministry could not find majority backing in the present House of Commons. Mr. St. Laurent correctly came to this conclusion last June when he resigned. Nothing new has been established.

Splinter Parties Happy

Mr. Pearson, it is being said, so framed his resolution that it could not possibly attract CCF and Social Credit votes. Maybe so, but it is questionable if any form of words could have done that. The two splinter parties, for evident reasons, do not want an election now or soon. They are happy in the possession of the casting votes which no regional minority should possess.

It is the public interest, not any party or local interest, that requires another appeal to the electorate at an early date. The debate on Mr. Pearson's motion, illustrating the fact that the party game is sometimes played at Ottawa with a venom and ferocity hardly matched in the English-speaking world also showed that this House of Commons might at any time degenerate into a bear-garden in which no business could be done.

Interesting as spectacle or drama, the party game is at present irrelevant to the main question, which is how best to legislate and spend in the existing state of Canadian affairs. A government securely in office is needed. An election might well produce such a government. The initiative in bringing on an election rests with the Prime Minister and not the Opposition.

* * *

Aftermath of the Boom

Unemployment figures are like stock exchange prices. They may have a greater psychological impact than their real significance justifies; and they are constantly discussed by people who don't understand them.

The unemployment in this country, as in the United States, is too large this winter for anyone to brush off as insignificant; but it is apt to seem even worse than it should because of the very high levels of employment we have had in recent summers.

From the summer of 1956, when our labor market was too tight for anybody's good, to the winter of 1958, when a genuine reduction in the need for labor is piled on top of the usual seasonal decline, the contrast is too great for comfort. But there is no excuse for "talking it up" in emotional ways.

It is particularly irresponsible for opposition politicians and many newspapers to be treating the administrative count made by National Employment Service offices each week as though it were an accurate measure of unemployment. Former Liberal ministers at least know very well that it is not, and that it was bound to be larger this year simply because the scope of unemployment insurance benefits has been so much extended. (Another explanation of what it does mean appears on page 39 of this issue in an Ottawa despatch).

The Morning After

But the real beginning of wisdom in this matter is to recognize that the present trough merely complements the over-blown, inflating boom of 1956. No doubt the boom was more pleasant: it was like the evening of the party. But it made the morning's headache inevitable.

They have been arguing in Parliament about what the Liberal government should have done last spring to avert the rise in unemployment which started about that time. That is perhaps the best the politicians can do in the terms which they think the common people will understand. But it would be more useful and intelligent to carry the enquiry back a piece farther. The proper question is: "Why did not the Government in 1955 and early 1956 take more appropriate and forceful measures to prevent the excesses of the boom and so stretch out genuine prosperity?"

Too rapid expansion, with its accompanying inflation, was certain to produce recession. Until we will accept that fact, it is a waste of breath to talk about "smoothing out the ups and downs," when what we really mean is that we want the ups without the downs. Life is not like that.

OUTLOOK IN PERSPECTIVE

Real Facts Emerging From Unemployment?

Out of the gloomy statistical mists comes an important light . . .

By MICHAEL BARKWAY

OTTAWA (Staff) — Out of the welter of statistics and talk about unemployment, some important facts are beginning to emerge.

They help to keep the national picture of the economy and the outlook in perspective.

Here they are:

- **Fewer Canadians have jobs** today than a year ago; it is the first month in which total employment fell below the level of a year ago.
- **But output per man is increasing** — an important trend if Canadian industry is to remain competitive.
- **The drop in employment** is greatest in forest industries and other exports. Their pickup depends on U. S. and overseas.
- **Backed by housing** and government spending at all levels, total capital investment may not be lower than 1957.
- **Over-all personal income,** plus social welfare benefits will maintain high consumer spending for services, utilities, foods, etc.

Since October, employment has been falling at a more rapid rate than production. It is now catching up with the decline in production which started a year ago. In this sense, sober economists and businessmen see it as a healthy sign. The gap between output and employment was producing, it is said, an intolerable cost picture which, if it had continued, could have been fatal to Canadian industry.

Physical output per man hour in the first nine months of 1957 was about 3% lower than in the same period of 1956 (**FP**, Dec. 21).

Falling employment thus represents in part a shake-out which had to come, and which is not yet complete. In the next few months the seasonal decline will be accompanied by further reduction in payrolls corresponding to actual production requirements.

At mid-December, when the latest labor force survey was taken, employment in manufacturing was still 1% above December, 1956, though output was several percent lower.

The industries which showed

(Continued on p. 8, col. 1)

Strong Westinghouse Bid Soon for A-Power Plant?

Canadian Westinghouse will make a strong bid to enter the nuclear power field.

The company has its own plans for Canada's long-delayed atom-power plant.

With these designs newly-prepared by its own team, Westinghouse hopes to wrest from **Canadian General Electric** some of the initiative that CGE gained by joining with **Atomic Energy of Canada Ltd.** and with **Ontario Hydro** in plans for a nuclear power plant near Chalk River, Ont.

The power unit plans were temporarily halted last year, however.

There is still no indication of when the project will be started again, though an improved design plan has been expected for months.

Because the station would be a small one — about 20 megawatts — the cost per kilowatt of power from it would certainly be far in excess of the six mills per kw/hour that is regarded by AECL scientists and engineers as a practical target for very large stations.

The design now being proposed by Westinghouse would, instead, be a full-scale station.

It would be based on natural uranium fuel, with heavy water both as nuclear operating medium and also as heat transfer medium.

It would incorporate many important developments introduced recently by the AECL Chalk River team but there would be big differences of technological detail.

Westinghouse aims at producing electricity for about 6.5 mills per kw hour initially, says W. W. H. Dean, marketing manager of the company's atomic energy division.

Dean reckons, however, that within 10 years fuel and fuel element fabrication costs will bring down the cost per kwh to 5.5 mills, thus bringing the average cost per electric unit well below six mills for the total life of the plant.

Whether the figures quoted by Dean, which are already below those quoted by some other members of the company, can be borne out in practice can only be determined by experiment.

The test would seem to be whether the company is so sure of its figures that it is prepared to enter into a fixed price contract for constructing station and accept any excess as a company risk.

This, officials intimate, they are not yet prepared to do.

Inside

Who's Mike Pearson?

Here's a closeup look at L. B. Pearson, politician, Liberal, statesman and man. A view of his past, his friends, his background, his worries and his shortcomings as leader. Special report by

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Wonders Behind the Bafflement

They call it Operations Research. You probably won't understand it at first. But it can save you millions .... p. 29

Atoms and a Town's Future

Solid citizens of Uranium City are betting on the good old atom to keep themselves and their town on the map .. p. 36

City Boss Worth $20,000?

Canada's cities may have to pay that and more to find the right man to fill top executive posts .... p. 21

Shortage of Room in Lab May Cost Us Science Lead

By LEONARD BERTIN

Lack of lab space may rob Canada of a scientific "first."

Canadian scientists may be on the verge of major break-through in the field of high-speed flight at very high altitude.

The work they are doing—at the Aerophysics Institute of the University of Toronto—could cleave a way through the so-called "heat barrier," man's chief obstacle to rocket flight.

It could open up simultaneously new and revolutionary ways to defeat gravity.

Their leader, Prof. G. N. Patterson, head of the institute and author of a classic work on high altitude flight, believes that in some of their work the team enjoys a two-year lead on workers in the U. S. and elsewhere.

The institute needs more space. Even if present plans to extend the institute are carried through, building cannot start until spring.

Every further month that is lost will be a month gained by scientists in other countries who are trying to solve the same problems.

The theory they are working on is that, when traveling at very high speeds, electricity generated within the aircraft might be used to create an electro-magnetic field which could then be used to control the flow of gas around its skin.

This would offer a means of keeping at a safe distance incandescent gas, heated by flight, that might otherwise burn up the aircraft in a matter of minutes.

It might also enable scientists to reduce friction or create "lift," the force that causes a plane to climb and controls the direction of flight.

These developments would be of the greatest importance.

Logical developments of such techniques are quite stunning to contemplate.

Speeds already reached in wind tunnels at Downsview are equivalent to 35 and 40 times the speed of sound, with tem-

(Continued on p. 8, col. 3)

Don't Sniff at the Sweeper Sales Hold as Firm as Ever

By RICHARD OGDEN

Appliance retailers shouldn't turn up their noses at the household carpet sweeper.

Despite lighter and better vacuum cleaners, the carpet sweeper is here to stay.

The industry says that sweeper sales are buoyant and that demand will stay high.

Reasons:

- **Prevalence** of the wall-to-wall broadloom.
- **Sweepers are light,** easy to handle and ideal for daily cleaning.
- **They complement** rather than compete with the vacuum cleaner, which is favored for the weekly once-over.
- **They are particularly** suited for going over expensive Persian and Indian rugs.

In fact, most Canadian homes have both a vacuum cleaner and a carpet sweeper.

Evidence of the growing Canadian market for sweepers: The revamping of operations being carried out at **Bissell Carpet Sweeper Co. of Canada**, Niagara Falls, Ont.

This firm will become an autonomous company with its own Canadian executive. For the past 50 years it has operated directly under its U. S. parent.

Head of the Canadian operation will be O. E. Loberg.

SOME AREAS 'HOT'

'58 Mines Search Still Looks Peppy

Chances seem brighter for exploration financing . . .

By RAY MAGLADRY

Mine explorers are forging ahead despite a battering from duller markets and skidding metal prices.

There's still a lot of pep in the early-1958 drive for new ore deposits along the Canadian Shield.

Exploration interests are:

- **Probing for base metals,** nickel and iron ore along a broad front from Labrador to British Columbia.
- **Mapping out a bold new mine-finding experiment** in the West—on ground that normally wouldn't rate a second look by prospectors. Details, p. 46.

Although lack of new financing opportunities has curtailed total field activity, major mining interests with well-heeled treasuries are holding to their normal policy of working toward long-range objectives.

Backing them up are a handful of smaller companies that are well enough financed for initial exploration programs.

But for many smaller groups, ambitious drilling plans for this winter or after breakup appear to hinge on brighter chances for obtaining finances.

This week:

Signs of easier financing for mining as a number of lower-priced speculative stocks soared into the spotlight on relatively high turnover after news of new financing.

Renewed public interest in mining markets could be a springboard to a new burst of exploration.

In Manitoba, thousands of square miles of ground are being opened to mine exploration, thanks to modern mine-finding equipment.

Parmlee Manitoba Mining, backed by a U. S. firm, is proving a point that new techniques can be used on once-ignored ground along the rim of the Precambrian Shield.

Despite downward pressures on copper and other base metals, milder turnarounds in nickel and iron ore, these metals are still the big targets in early 1958.

Among the hotter areas:

Mattagami Lake region and other areas of northwestern Quebec, the Chaudiere River where alluvial gold deposits are attracting attention, in wide areas of northern and central Manitoba and through north-eastern Saskatchewan.

FP Said It

OTTAWA (Staff) — Prime Minister Diefenbaker in Parliament this week produced a "secret" document, presented to the Liberal Government last March, in which a group of civil servants expressed concern about the outlook—views which differed considerably from the official view in Ottawa.

FP brought the situation to light between February and May last year in the Ottawa coverage.

Just at the time this report went to the Cabinet (**FP** March 9), The Post carried a full page report on "Inflation and Credit: The Great Debate."

It noted: "Even in official circles, doubts are being expressed about the need for continued stringency. **FP** presents an explanation of the sort of arguments which the monetary authorities would probably give for their policy."

The arguments there explained set forth the opposite view which was being presented to the Government by the Bank of Canada and others.

The difference among official views persisted.

FP (April 13) reported them as wide as ever, and gave an analysis of the statistical data on which the "hidden report" had been based.

For details of the controversy now raging in Ottawa, see p. 32.

Life Stocks Jump 5%-38% In Generally Slow Market

By DALTON ROBERTSON

Canadian life insurance company stocks have bounded ahead in the face of a generally static market as mutualization plans and rumors created new interest.

- **Manufacturers Life** stock, which had dipped sharply when the company hit difficulties in its attempt to buy its own stock, rebounded and moved up almost 17% in four weeks. Company is making plans for a new offer.
- Sharpest gains were made by **Confederation Life** (+38%) and by **Sun Life** (+23%).
- Stocks of several other life firms chalked up 5%-13% advances in the past month.

During this period the general market moved ahead only 1.7% as measured by the DBS investors' index of common stock prices.

The sudden strength in life stocks marks an abrupt about-face from trends during most of 1957.

Pushed by speculative U. S. buying, prices of most Canadian life stocks reached a peak in 1955-56 and then began a long and gentle decline.

But much of today's renewed advance is due to Canadian buyers.

Main reason for the upward surge: Buyers are speculating that a few Canadian companies may decide to buy their own shares and become mutuals now that federal legislation has been passed enabling them to do so.

Most likely candidates for a mutualization move will be Confederation Life and Sun Life, according to street reports.

But **FP** investigations fail to prove any imminent move on the part of Sun Life or any active consideration of the possibility.

Dropped to $120

And Confederation Life's stock price which closed at $135 the day before the company's annual meeting dropped to $120 when the meeting came and went without any hint of mutualization plans.

Dealers say very few shares have changed hands despite the relatively large increase in life stock prices.

Earlier weakness in the market for life stocks reflected the announcement of federal legislation designed to help keep

(Continued on p. 8, col. 1)

Three Abitibi Lakehead Mills Convert to Gas

The first major sale of natural gas to industry in northern Ontario has just been completed.

It is a $7,735,000 contract signed between **Abitibi Power & Paper Co.** and **Twin City Gas Co.** The contract provides for delivery of a total of 20.8 billion cu. ft. of gas over a 10-year period.

This represents a major portion of Abitibi's fuel requirements for its three mills in Port Arthur and Fort William.

Mills affected by the fuel changeover are the Mission mill at Fort William, and the Thunder Bay mill and **Provincial Paper** mill at Port Arthur.

Another important gas sales contract has been made with **Canada Malting Co.**

At the same time **Northern Ontario Natural Gas** and affiliated companies with an extensive franchise area in northwest Ontario is negotiating large sales contracts with four other pulp and paper companies.

THE SIGNS AND PORTENTS

THIS YEAR will see an influx of tourists from the U. K. It's their first full season for spending their dollar-area allowances. U. K. travel agents report bookings are heavy. Tourists will want to spend their $275 on such items as space heaters, transistor radios, phonograph records and cameras (all subject to 60% tax when bought in the U.K.).

* * *

NOTE A NEW fuel: Gasoline briquettes. Soviet scientists are making them by emulsifying and solidifying gasoline. The briquettes solve certain problems of storage and evaporation.

* * *

DRUG FOR TREATING rheumatoid arthritis is now being tested in at least three Canadian cities. The manufacturers are anxious to assess its value, hope for some results in two or three months. Called Chloroquine, it does not cure but may ease pain and prevent further crippling.

* * *

MARCH OF SCIENCE: A main street Montreal jewelry store is displaying birthstone rings that are proudly proclaimed to be "genuine synthetics."

* * *

CONSIDER THE implications of New York State's new plan for operating a vast fleet of cars. It has been decided to trade-in the 16,000 official cars every year. Average saving on the old practice of keeping cars three to five years is said to be 2c per mile.

* * *

WHAT WILL THEY find to count next? Latest U. S. survey covers winter travel, analyses 207 million "trip-days." The findings: Some 42% of trip-days went in visiting friends and relatives, 24% on business, 19% other vacation and pleasure. "Other personal" accounted for 15%.

SHORTAGE OF trained truck drivers in Canada is forcing many companies to train their own. A course for training the trainers, the first of its kind to be conducted in Canada, is now being planned by the Ontario Safety League.

* * *

"BIG BROTHER" for the modern truck driver is a $250 electronic gadget which automatically prints out the date, time, mileage and gas level every time the ignition is turned on or off. It also makes a few notes every time the truck exceeds a pre-set speed.

* * *

HOW LONG IS one inch? It's 25.4 mm. in Canada, a fraction over by legal standards in the U. S., a fraction under in the U. K. The 65-year-old problem is now being revived by the demands of space age engineering. The U. S. National Bureau of Standards is urging adoption of the Canadian inch.

IF YOU ARE going to the Brussels World Fair, your accommodation will be in the hands of an electronic computer. It has been installed to process all applications. It will give out details of your reservation within three minutes of asking, whether you want a luxury hotel room or a tent.

* * *

WINE BY THE BARREL is now a take-home possibility. British suppliers have perfected a method of avoiding souring by a judicious injection of antibiotics. The method does not affect the taste, promises savings of $40 on the cost of the same quantity in bottles—in addition to the aesthetic pleasures of ownership.

* * *

ANNUAL REPORTS get a new twist at one midwestern U. S. firm. By dialing a number, employees can hear a one-minute digest of the report, recorded by the company manager.

Stock Market Highlights

Industrials

Canadian **industrial** stocks edge mildly higher with activity tending to increase on the advance. Most changes are held to small amounts. For details, see p. 4.

Beaver Club purchases 60 warrants to buy **Salada-Shirriff-Horsey** common. For report on activities of this investment club, see p. 8.

Mines and Oils

Mining and **oil** issues also tend higher. Public interest appears to increase as a handful of lower-priced, highly speculative stocks trade heavily. For details, see p. 47.

Western **oil** and **gas** issues make some of the best gains in comparatively quiet dealings. Emphasis continues to centre on gas stocks.

Among the **mines** key issues show little change. A few **uraniums** tend higher and **golds** attract some attention.

ANNOUNCEMENT

GREAT-WEST LIFE APPOINTMENT

D. E. KILGOUR

The election of D. E. Kilgour as Vice-President and Managing Director has been announced by the Board of Directors of The Great-West Life Assurance Company, Winnipeg. Mr. Kilgour, formerly General Manager, has been chief executive officer of the Company since 1955.

New Taxes For Halifax?

Changes in several tax rates and creation of new taxes have been recommended by the one-man commission studying the problem of taxation in Halifax.

Major changes recommended by Commissioner Vincent J. Pottier were:

- Tax rate on residential real estate would be raised from $1.75 to $2 per $100 of assessment. Household tax and fire protection tax would be abolished.
- Tax rate on commercial real estate and business tax would be reduced from $4.75 to $3.
- Tax rate on rental accommodations has been raised from $1.75 to $2.50, but fire protection tax would be abolished.
- Deed transfer tax of 1% would be imposed; motor vehicle service tax in varying amounts (including $20 on passenger cars over 2,300 lb. registered weight) would be imposed; retail sales tax of 2% would be imposed.

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Are there 19? 37? 24? kinds of rubber?

Little more than a decade ago rubber was just rubber. It could be varied by additives, but no matter what you wanted to make, you were limited by the qualities of rubber as nature made it.

Today these limitations are gone. If you need a rubber that won't bounce, Polymer Corporation can supply it. Polymer can give you rubbers that wear like iron; rubbers that are impervious to oil; rubbers that defy weather; in fact, rubbers that provide precisely the qualities required in any type of rubber product.

These are *Polysar rubbers. Polymer presently makes twenty-four variant types, each one formulated to give specific performance qualities in differing types of products.

This is the miracle of synthetic rubber. And one of the world's major producers is the Polymer Corporation. Polysar rubbers provide more than half of all new rubber used in Canada, and they are exported to practically every major market in the world.

POLYSAR Synthetic Rubber

*Registered trade mark

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POLYMER CORPORATION LIMITED

SARNIA : CANADA

Trend of Business

Canadian jobless reach post-war peak. Mid-December estimates by the Dominion Bureau of Statistics place the number of unemployed at 386,000, a jump of almost one-third over the previous month's 292,000. Latest estimate represents 6.5% of the total labor force. Previous post-war high of 6.0% was reached in March of 1957, when DBS reported 343,000 without work. All-time high of 19.3% was in 1933 with 817,000 looking for jobs.

Wheat exports smaller. Overseas export clearances in the week ending Dec. 13 came to 1.8 million bu., a sharp decline of 69.7% from the same period a year earlier. This increased the cumulative deficit to 107 million bu. from 109 million bu. at the same time in 1956. Prairie farmers' marketings for the current crop year fell 14.3% to 118.5 million bu. On Dec. 31, supplies of Canadian wheat on hand were up 5.7% to 377.8 million bu. from a year earlier.

Department store sales up 1% in December over same month in 1956, according to DBS preliminary release. Larger sales were reported in all provinces except Manitoba and B. C. Increases were: Atlantic Provinces, 3.6%; Quebec, 3.5%; Ontario, 2.3%; Saskatchewan, 0.8%; and Alberta, 3%. Decreases: Manitoba, 0.9%; and B. C., 4.5%.

Wages grow—working hours shrink, so reports DBS. Average weekly wages at Nov. 1 climbed to $65.57 from $65.32 at Oct. 1 and $64.36 at Nov. 1, 1956, and average hourly earnings to a record 162.7c from 160.5c and 154.7c. Work-week averaged 40.3 hours at Nov. 1 compared to 40.7 a month earlier and 41.6 a year ago.

Railway car loadings in '57 drop 8.3% to 4.0 million cars from the '56 record of 4.4 million. Last year's total is also 0.7% below the level reached in 1955. Main commodities showing the biggest decreases in 1957 were: grain 359,291 cars (—21%); coal 240,771 (—9.7%); non-ferrous ores 143,662 (—13.3%); crude oil 24,306 (—41.4%); cement 42,043 (—20.3%); lumber 188,960 (—14.8%); and sand, gravel and crushed stone 185,406 (—15.4%). Loadings of "other" mine products increased 10.4% to 154,547 cars.

Chain stores—a strong link. Sales in November rose to $257.5 million, almost 10% greater than a year earlier. Grocery and combination stores (largest of the group) showed a 16.3% increase. Others registering gains were: drug stores up 6.6%, variety stores up 5.9%, women's clothing up 5.4%, and family clothing up 4.5% from a year ago. Month's declines were: lumber and building materials down 15.7%, shoe stores down 4.3%, men's clothing down, 1.6%, and jewelry stores down 0.6%. Total chain store sales for the eleven months were $2,511 million, an 8.4% increase.

Dairymen have good year. More butter, cheddar cheese and concentrated milk products were made in Canada in 1957 than in the preceding year. Production of butter was slightly larger at 304.5 million lb., and domestic disappearances rose 3% to 322.7 million lb. Year's make of cheddar cheese increased 11% to 93.2 million lb. Output of concentrated milk products totaled 540.6 million lb., a gain of 12%. Production of ice-cream declined slightly to 33.17 million gal.

Beer sales finish high. Preliminary estimates of domestic beer sales in December total 834,000 bbl., a 1.7% increase over 819,724 bbl. sold in the previous December. Total sales for 1957 are estimated at 8,887,886 bbl., a gain of 3.5% over the 1956 total of 8,581,132 bbl.

Margarine makers report record production in '57. Year's total (including spreads) rose 5% to 130.6 million lb. December's output increased to 10.6 million lb. from 9.4 million lb. last year. Stocks on hand at the beginning of 1958 were almost 12% ahead of last year: 3.8 million lb. vs. 3.4 million lb.

Major Weekly Indicators

	Latest Week	Previous Week	Previous Month	Year Ago
Department store sales, % change from year earlier	—4.0	+20.9	+0.4	—1.5
Carloading totals .... (cars)	50,115	66,003	74,980	43,959
Eastern Canada .... (cars)	32,153	44,277	48,417	29,513
Western Canada .... (cars)	17,962	21,726	26,563	14,446
Iron and steel mfg. ...... (cars)	997	1,294	1,434	1,218
Ores, concentrates ...... (cars)	1,957	3,288	3,688	2,111
Base metals .... (cars)	521	816	613	344
Lumber, timber, plywood (cars)	1,876	2,296	3,184	1,411
Cement .... (cars)	236	311	429	222
Passenger car production .... (no.)	7,039	6,837	7,171	8,393
Truck production .... (no.)	1,078	1,119	1,191	1,427
Chartered Banks				
Personal savings ... ($ millions)	6,224	6,227	6,171	5,985
Loans outstanding . ($ millions)	5,395	5,407	5,433	5,404
NHA mtge. holdings ($ millions)	586	586	577	494
Bank of Canada holdings of				
Securities .... ($ millions)	2,436	2,465	2,523	2,391
Short-term govern. . ($ millions)	1,245	1,231	1,255	1,166
Long-term govern. . ($ millions)	1,138	1,180	1,215	1,180
Other securities .... ($ millions)	16	16	16	21
Bank Clearings:				
Montreal .... ($ millions)	781	843	942	740
Toronto .... ($ millions)	1,001	1,159	1,387	891
Canadian dollars .. (U.S. cents, av.)	101.504	101.684	101.936	104.106
T.S.E. industrial index	409.52	404.00	396.09	465.63
Yield, 114 stocks	5.40%	5.45%	5.55%	4.94%
Bus. fail., 4-week moving av... (no.)	17	19.5	27.7	24.7

Facts by the Month

	Latest Month Available	One Month Previous	Two Months Previous	One Year Previous
WHAT WE PRODUCE—				
In all Industries (Index)	289.9	292.3	286.5	300.7
In factories (Index)	282.7	285.7	283.1	297.1
Total nondurable goods (Index)	253.8	263.0	257.4	256.4
Food & bev. (Index)	727.7	290.7	290.9	260.4
Textiles (Index)	167.5	175.4	176.4	187.5
Clothing (Index)	157.7	159.0	150.9	160.9
Chemical products (Index)	308.8	304.9	303.1	302.0
Total durable goods (Index)	328.0	321.3	323.4	360.8
Iron & steel products (Index)	295.1	301.4	301.3	336.3
Primary iron & steel (Index)	360.2	383.7	388.0	434.0
From mines (Index)	311.9	323.4	305.3	308.4
Metals (Index)	175.7	181.6	173.1	147.6
Nonferrous smelting, refining (Index)	271.0	215.6	221.8	299.8
Gold (Index)	111.1	107.9	100.9	103.5
—From farms				
Cattle delivered (000)	216	159	153	198
Hogs graded (000)	457	302	318	450
Flour (Index)	146.5	126.8	121.5	138.6
—From sea				
East Coast catch ($000)	3,137	5,080	7,500	3,034
W. Coast catch ($000)	1,416	3,394	8,165	2,316
—From forests				
Newsprint (000 tons)	549	488	560	582
Pulp (000 tons)	796	886	782	899
—In powerhouses				
■Electricity (million kwh. guaranteed)	8,179	8,087	6,964	7,199
WHAT WE SELL—				
Retail sales ($ millions)	1,174	1,248	1,203	1,187
Dept. store sales ($ millions)	144.9	118.0	111.3	140.2
Wholesale sales ($ millions)	657	634	653	694
Mfrs. outstg. orders ($ millions)	2,633	2,717	2,792	2,886
Pass. car sales (units)	20,850	26,165	31,348	25,853
WHAT'S ON HAND—				
Mfrs. inventories ($ millions)	4,898	4,889	4,884	4,545
Dept. store stock sales ratio	2.1	2.7	2.6	2.0
SPENDING, SAVING POWER—				
Labor income ($ millions)	1,348	1,337	1,312	1,268
Dividend payments (Index) (annual rate)	323.3	326.6	326.7	312.6
JOBS—				
■Persons with jobs (000)	5,540	5,698	5,797	5,741
■Jobless seeking work (000)	386	292	208	186
■Do. (% of labor force)	6.5	4.9	3.2	3.1
CONSTRUCTION—				
Contract awards ($ millions)	256	261	218	279
FOREIGN TRADE—				
■Exports ($ millions)	436	405	424	426
■Imports ($ millions)	454	481	447	521
MONEY—				
■Money supply ($ millions)*	11,639	11,469	11,355	11,440
Cheques cashed ($ millions)	19,181	16,180	16,264	18,059
Life insurance sales ($ millions)	392	363	335	348
■Notice deposits ($ millions)	6,605	6,776	6,765	6,413
■Current public loans ($ millions)	5,358	5,380	5,520	5,367
PRICES—				
Consumer price (Index)	123.3	123.4	123.3	120.3
Wholesale price (Index)	224.0	224.8	226.7	227.4

*Total deposits, less Govt. of Canada deposits, less float, plus notes in circulation outside the banking system.

STRATEGIC MATERIALS—Production and Supply—	Latest Month	Month yr. ago	Yr. to date	% chge. yr. to date
Steel ingots and castings (000 tons)	358.6	444.4	4,686.7	—3.4
Primary copper (000 tons)	31.1	39.8	285.4	—3.2
Nickel (000 tons)	15.6	14.7	158.7	+6.7
Lumber exports (millions fbm.)	377.2	336.5	2,699.8	—11.7
Lumber (millions fbm.)	602.0	716.8	5,548.3	—11.4

Index based: production 1935-39=100; consumer price index 1949=100; wholesale price index 1935-39=100.

■New item this week.

Date of issue for your file, The Financial Post, Jan. 25, 1958.

Look For It Here

January 25, 1958

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"Pearson has always had genuine respect and affection for St. Laurent. But in these last few years he felt as keenly as anyone the lack of new inspiration or constructive leadership."

"Pearson played the game so well that the press soon foisted on the public a picture of him as a happy-go-lucky baseball fan and the sort of guy you'd expect to be the life of the party . . ."

Pearson: A Closeup Look at the Man

Who is Mike Pearson, politician?

What are his strong and weak points?

Here is a special report on the new Liberal leader, his background, his friends.

By MICHAEL BARKWAY

OTTAWA (Staff) — This week, for the first time, John Diefenbaker faced a new and lively rival for the job of prime minister.

The historic political struggle was dramatized as a duel between "Honest John" and "Mike" Pearson. And the first encounter made Honest John look the tiger to Pearson's lamb.

The contrast is striking.

Though in age Pearson has only 18 months' advantage over Diefenbaker, in appearance they could hardly be more unlike.

Pearson makes Diefenbaker look more gaunt and angular and nervy than ever.

But Diefenbaker makes Pearson look chunky, surprisingly short, youthful and prosperous.

In character, the contrast is quite as great.

Diefenbaker is a politician from the tips of his toes to the end of his long, thin fingers. A lifetime ambition flowered when he moved into 24 Sussex St.

Pearson until last weekend still seemed to accept politics as a game — a game which had to be played by anyone who wanted a career in government, but one which anyone as able as he should be able to master.

He was drawn to his present position by his pursuit of one absorbing objective. His father, a Methodist minister would have said it was "a call."

If it weren't for this compelling goal, Pearson would like nothing better than to be president of a university — preferably Toronto.

He Knows He's Good

But he cannot give up the effort to improve international relations and ward off another world war.

He knows — without false modesty or conceit — that he is good at these tricky international affairs. He could not quit without feeling he was running out on the job which he puts before all others.

The Russians stopped him from being secretary-general of the UN.

Friends, and chiefly Louis St. Laurent, persuaded him he could do more for peace representing Canada than he could as secretary-general of NATO. It's just six months since he refused that job.

And ever since then, he must have had the idea that the same logic might carry him down the corridor of the East Block into the Prime Minister's office, however little he wanted the move.

June 10 cheated him there. But after June 10 he could not abandon the party in defeat. He had to reserve his international skills, attend to domestic affairs and hope to win an election which would make him prime minister.

Certainly at the beginning he experienced relief at being head man, instead of tagging along behind St. Laurent and Howe.

Pearson has always had genuine respect and affection for St. Laurent. But in these last few years he felt as keenly as anyone the lack of new inspiration or constructive leadership.

Pearson and Howe

Pearson and Howe got along all right by keeping out of each other's yards. But their political philosophies are miles apart.

When Pearson talks about a "new and progressive Liberalism," he is playing a different game than in Howe's postwar boom, a game of which Howe would probably disapprove.

And when John Diefenbaker asks why the Liberals did not support the declining economy earlier, Pearson's basic reply must be that he left those things to Howe.

A forward-looking party would have pushed Pearson into domestic economic problems. Instead the whole atmosphere of the St. Laurent ministry insulated him from them.

He has no natural inclination towards economics or finance or business. He looks back with loathing on his one post-college year in business. It was a job provided by a rich uncle in **Armour's**, Chicago.

Recently he has read up on economic problems. But he probably relied more on friends who are highly competent at these matters.

They include Walter Gordon, Chairman of the Royal Commission on Canada's Economic Prospects, who was an unofficial, unobtrusive and constant adviser at his side throughout the Liberal Convention.

Graham Towers is another long-standing friend. The list includes R. M. Fowler and many others. Lots of high-priced help is at hand — and for free.

Pearson's lack of economic background is one of the most important uncertainties about him as a political leader.

Party Men Worried

It worries the party's organizers that he has not shown more interest, or knowledge, of the business and economic situation.

Why this gap? Is it as bad as it seemed in the House of Commons at the beginning of this week?

Only time will give sure answers. You can never tell what leadership will do to a man. But here are two clues:

1. Pearson believes in "the message of a new and strong and progressive Liberalism," as he told the convention last week.

2. Pearson can see the Liberals' future only on the left of the Conservatives.

He has always belonged to the wing of the Liberal party which regarded the St. Laurent-Howe leadership as wandering in the desert of the right and abandoning "true Liberal principles."

This partly explains why he was so completely flattened by Diefenbaker's charge that the Liberal cabinet foresaw the present economic situation last winter.

His acceptance speech to the Liberal convention was full of resounding principles.

"Freedom and Security"

For example: "The reconciliation of freedom and security," "providing the means whereby all members of the community can reach full standards of health and security, education and happiness," "a free and independent Canadianism, not a narrow nationalism," "social security without socialism, welfare without regimentation."

"Responsible labor unions and farm organizations," he declared, "are constructive agencies in our democratic process." The Liberals should always seek their advice and co-operation.

But then again: "Government is more than a give-away program or a lottery." They must not yield to "every clamor for further government services, which means government intervention, which means bigger government and bigger bureaucracy."

All this, therefore, leaves in doubt the strength of Pearson's convictions on domestic and economic questions.

The second great question—and this especially bothers the politicians—is whether he can cope with the local politics of what they love to call the "grass-roots."

It is nearly 10 years since Mike Pearson went into politics. In September, 1948, he joined the cabinet which Mr. St. Laurent was just taking over from King, and they found a seat for him in Algoma East.

The Day Pearson Flew

He was still holding regular press conferences then, as a civil servant. (His new ministerial colleagues soon put a stop to them). But I well remember the day he announced he was going to fly out to Algoma East.

"Is there an airstrip in the riding?" asked a surprised questioner.

"Oh, sure," said the new politician. "Manitoulin has the best little airport in North America."

As the laughter swept up, Pearson's smile said as clearly as though he had put in words: "Think I can't do this political stuff too?"

That was when he started to play the political game. He became minister because if he didn't he might have got some experienced politician, inexperienced in diplomacy, who would spoil the great enterprise of NATO then in the making. This he could not have borne.

Besides, Mike had played games all his life, and played them rather well; why not take a crack at this new game of politics?

To no one's surprise, this turned out to be another game he was good at.

He played it so well that press and radio had soon foisted on the public a picture of him as a happy-go-lucky baseball fan and the sort of guy you'd expect to be the life and soul of the party at a Grey Cup game.

His Real Motives

This, of course, was always nonsense, and it has grown more and more inappropriate each year. The real motives and interests of the man they call Mike are almost exactly opposite to the popular ideas.

This is why some of his friends are so unhappy about his debut as leader.

They fear that once he starts to worry about politics, instead of treating it like a game, he is liable to go too far. The danger is over-compensation.

Pearson, they say, must well know that some of the party stalwarts think him inadequate as a politician.

In trying to prove them wrong, he could become more narrowly political than another man who had always been known as a practical politician.

After his acceptance speech to the Liberal Convention, and his opening speech in the House, one home-biding Liberal and Pearson supporter said: "Surely leading the Liberal party is not going to turn Mike into a tawdry politician."

The danger may be there. It takes some adjustment for a new leader to fit the yoke of political leadership comfortably on his shoulders.

But if Mike Pearson descends seriously or long into the cheaper kind of politics, then leadership will have changed Pearson.

An unknown incident of the convention reveals much.

Do What Is Right

Before the balloting he found a moment to make a long-distance call to his mother in Toronto.

The last thing she said was: "Good luck, Lester." (She is one of the few people who call him Lester rather than Mike.) "Do what is right."

This is so deep-rooted in him that he never argues about it even with himself. It's inescapable, almost automatic and usually unconscious.

Pearson was brought up as one of three sons in the household of a Methodist minister. The incidental, external disciplines have fallen away.

He smokes (more than he did a few years ago); he likes a drink; he is not a conspicuous churchgoer.

But it must have been a remarkable household, which could turn Mike loose on a free-and-easy world and let him adopt most of its ways—yet leave in him a deep, instinctive sense of essential right and wrong.

Six years ago I wrote of him: "This sense of duty, or even of destiny, would in his father's vocabulary have been 'a call.'

"Pearson might repudiate the term, but anyone who has worked closely with him recognizes his 'Methodist conscience.'

"For all his sense of humor, he is never merely flippant — not even about quite small matters."

Must Understand This

If you are going to deal with Pearson as a major political leader, there is also a second thing to understand.

It may conflict with the first, but both are true.

This extends into all his dealings with people. If a subordinate brought him sloppy work, he would tuck it away in a drawer and forget it rather than face the offender, rebuke him or tell him why his work would not do.

For years he has kidded the newspapermen of most western nations that he is frank to the point of being indiscreet.

The truth is that he has an extraordinary knack, which takes in far wider circles than the press, of making you think he has told you everything when he hasn't really told you anything.

This is a special branch of the art of "keeping things pleasant" which he has developed. It is not entirely for his own comfort — though partly for that.

He knows that international policies depend on being

(Continued on page 4)

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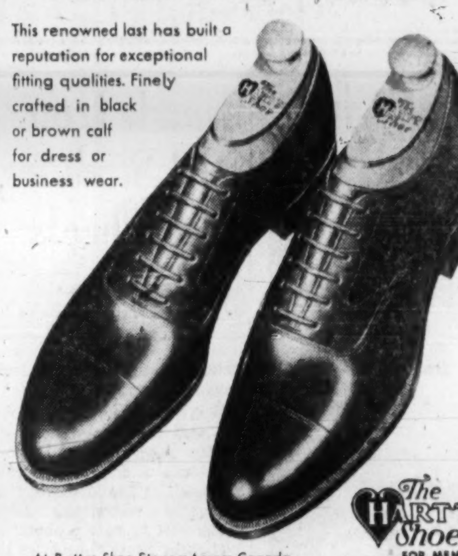

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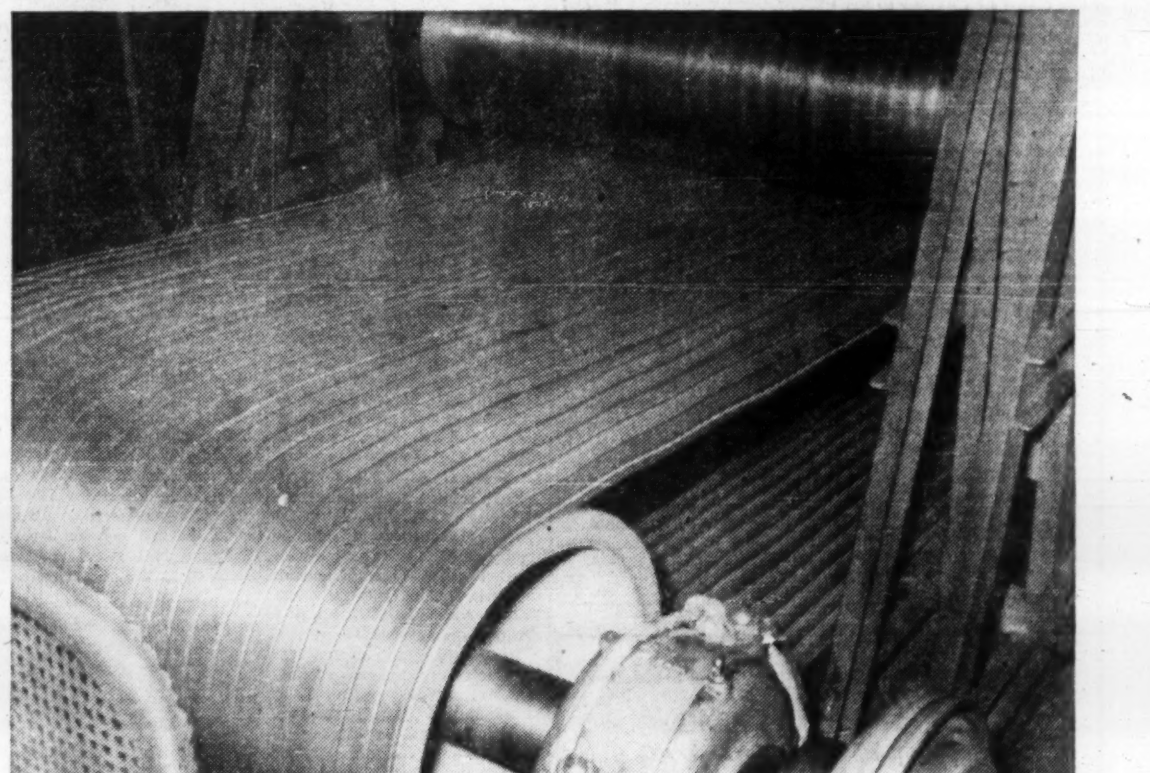

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Why They're Moving

Facts and comment on what's going on in the market and rumors behind some of the moves.

By FRANK KAPLAN

Insurance stocks, normally very quiet traders, are capturing heavy attention. Major reason for the sudden interest in these higher-priced issues is anticipation that some of the companies may "mutualize."

Under new legislation, life insurance firms can buy in their own shares and become wholly-owned by their policyholders. Rumors point to wide-swinging **Confederation Life** as planning such a move soon with others likely to follow.

And, according to street talk, the buy-back price would be above current market levels.

Adding to interest is a generally strong U. S. market in insurance shares.

	Latest Price $	Recent High $	End 1957 $	Year's Low $
Confederation Life	120	135	87	80
Empire Life	62	62¾	40	45
Equitable Life	50	50	45	35
Excelsior Life	48	53	43	41
Imperial Life	60	60	51	48

* * * *

THE STREET IS TALKING ABOUT—the cut in U. S. margin requirements to 50% from 70% as a move which takes time to effect the market. Coming at a time when confidence is low, it only provided a quick trading opportunity. Lower margins won't induce solid buying unless investors think that buying opportunities are present, commented one veteran trader.

Winnipeg & Central Gas jumps into the trading spotlight with brisk-selling pressure pushing the price down as low as $4.25 before steadying at $5, off from $8 recently. Reason for the selling affect the market. Coming at a time when confidence is low, it was a rumor that equity financing may be ahead involving sizeable increase in outstanding common stock.

* * *

Other natural gas-building issues are affected by profit-taking following previous strong advances. **Consumers' Gas** climbs to $33 from $28 in early January but then slips back to $30⅝. **Union Gas** at $72¾ is off from a recent $74¾ peak but well ahead from about $67 at the turn of the year.

Dominion Stores, a favorite throughout 1957, slips to $51⅛ from a recent $54 as hoped-for dividend rise fails to materialize. But still attracting interest is **CPR** which bounces ahead to $25—a gain of $3 in a few weeks—unusual for this normally active but narrow-ranging leader. Reason is the establishment of an oil and gas subsidiary.

* * *

OTHER MARKETS—Over-the-counter dealings reflect keen interest in life insurance shares on listed board. **Sun Life** which is also rumored a mutualization candidate, adds $5 to $240-$248. At the end of 1957, this stock was $205 bid.

Great West Life climbs $7 on the week to $197-$205, **Manufacturers** adds $3 at $208-$215 and **Crown** at $97-$103 is ahead $2.

Pipelines show little change as the group appears to consolidate following earlier strong advances. **Trans-Canada** units at $137-$139 add $3 and **Quebec Natural Gas** units are ahead $1 at $131-$133.

Westcoast Transmission common at $27¼-$28 trims fractionally. **Northern Ontario** hits an $11¼ high, drops back and then steadies at $10¾-$11¼ for a ¾ gain. **Alberta Gas** at $13½-$14 is ahead ½.

Proxy Fight May Develop As Fleet Nears Offer Date

A proxy fight for control of **Fleet Manufacturing Co.**, Fort Erie, may now be developing.

The company's operating results for the fiscal year ended Sept. 30, 1957, showed a net loss of $174,790. Net loss in 1956 was $91,225, and in 1955, $82,444.

Details of an offer made for the fixed assets of the company by **de Havilland Aircraft of Canada Ltd.** (**FP** Dec. 21), were mailed to shareholders early this week. A copy of the annual report (see page 41) accompanied the notice.

Daniel Robertson, chairman and president, states in the report that during the past year Fleet "has been subjected to constant and increasing pressure from the company's bankers to reduce even its present level of current borrowings."

The official offer, subject to a number of conditions, is $800,000 for the company's land, buildings and equipment. The offer has been accepted by the directors of the company subject to approval by the shareholders.

The transaction is to be completed on Feb. 10.

A special general meeting of shareholders has been called for Feb. 3 in Toronto. Shareholders are to be asked to vote on two resolutions:

- Proposed sale of the assets and undertaking of Fleet to de Havilland.
- A resolution passed by the directors releasing **Masters Smith & Co. Ltd.** from its obligation, contracted July 9, 1957, to purchase 75,000 shares of Fleet at 75c per share.

Instruments of proxy for both resolutions have been mailed to shareholders. They have to be returned no later than noon, Feb. 1.

Robertson comments on both resolutions in the annual report.

"The accompanying balance sheet as at Sept. 30, 1957, indicates that on that date (but after giving effect to the proposed sale to de Havilland) your company's net worth on a going concern basis was $692,459, or approximately 69c for each outstanding share."

He adds: "It is important to recognize, however, that these are going concern figures only and do not reflect in any way the loss and expenses which may be expected to arise during the course of a progressive diminution of your company's present business activities."

Asked To Vote

The statement continues: "Provided that the shareholders shall approve the sale of the company's assets, they are being asked to vote at the forthcoming meeting on the release of Masters Smith & Co. Ltd. from the remaining 75,000 share commitment of the 100,000 shares agreed to be purchased last summer at 75c per share.

"The consideration passing to the company for the foregoing of the said commitment, in the opinion of the directors, is the services rendered by the said Masters Smith & Co. Ltd. in negotiating the transaction of sale and purchase with de Havilland."

A majority of the directors of Fleet Manufacturing are associated with Masters Smith & Co.

FP has been informed by George D. Clarke, a former president of Fleet Manufacturing (from 1947 to 1952), that he is "taking action to protect the interests of shareholders."

"I have been prompted into this course by some of the employees of the company and by interested parties in Canada and the U. S.," he told **FP** mid-week.

He indicated that a shareholders' protective committee might be formed. If this is the case he will approach the shareholders for proxies.

"I shall ask them to let me exercise my judgment in their interest," he said. "At the very least I can try to get a better deal from the liquidation of the inventory."

B. C. Electric Bonds to yield 5⅛%

The British Columbia Electric Company Limited organization controls the most extensive system of public utility services in western Canada.

During the ten years ended in 1956, sales of electricity increased 200% and sales of gas increased 82% with the first nine months of 1957 showing a further increase.

We, as principals, offer the new issue of

British Columbia Electric Company Limited

5⅛% First Mortgage Bonds, Series "M"

Due January 2, 1988

Price: 100 and accrued interest to yield 5⅛%

Earnings after depreciation available for bond interest amounted to $23,603,579 in 1956 and for the first nine months of 1957 to $19,339,300. Maximum annual interest requirements on first mortgage bonds outstanding after this issue will amount to $11,566,406.

Prospectus available upon request.

Wood, Gundy & Company
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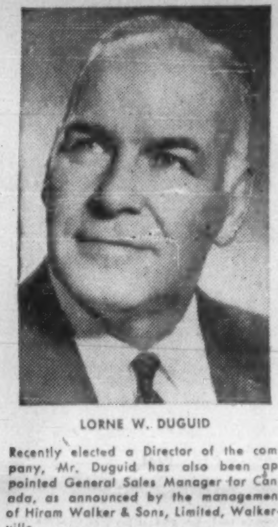
ANNOUNCEMENT

Hiram Walker Appointment



LORNE W. DUGUID

Recently elected a Director of the company, Mr. Duguid has also been appointed General Sales Manager for Canada, as announced by the management of Hiram Walker & Sons, Limited, Walkerville.

He joined the company as Sales Representative in 1941, following a notable career in professional hockey with the Montreal Maroons, Detroit Red Wings, and Boston Bruins.

Mr. Duguid was latterly Sales Manager for Eastern Canada. He will continue his headquarters at the Toronto office of the company.

Canada Iron Still Studying Cast Wheels

Production of cast steel wheels for railway rolling stock by **Canada Iron Foundries** (**FP**, May 25), is still being actively investigated, President T. F. Rahilly said in a letter to shareholders.

"Cast iron car wheel production was maintained at a satisfactory rate (in 1957) but we anticipate a decrease in 1958," he said. "The railways are gradually converting freight equipment to steel wheels."

(**Griffin Steel Foundries Ltd.**, St. Hyacinthe, Que., is the only present producer of steel car wheels, but **Canadian Steel Wheel Ltd.**, an A. V. Roe Canada-English Steel Corp subsidiary, is building a plant in Montreal, to be ready this year).

Canada Iron earnings for 1957 will be substantially lower than 1956's record $5.94 per common share, the president said (**FP**, Jan. 18).

Capital additions last year totaled $7 million. Plants completed and now in operation are those of **Pressure Pipe Co.** and of **Disher Steel**, both in Toronto, and **Dominion Structural Steel** at Ottawa and Halifax.

"All of them should make substantial contributions to earnings in 1958," said Mr. Rahilly.

Sales of the parent company declined in 1957, although its share of the available market did not drop.

Dominion Structural Steel, including Disher Steel which was merged with Dominion in 1957, had a satisfactory sales increase, he added.

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Union Gas Subsid. '62 Profit May Be 79% Parent's Net Now

A new issue of $20 million **Ontario Natural Gas Storage & Pipelines Ltd.** 5¼% 20-year first mortgage sinking fund bonds has been sold at par by a syndicate headed by **A. E. Ames & Co.**

Company is a wholly owned subsidiary of **Union Gas Co. of Canada**, Chatham, Ont. It recently acquired the parent company's underground gas storage facilities in Lambton County, and its 16-in. pipeline, compressor station and other plant, at a price of $6,879,798.

The subsidiary also purchased the parent's inventory of natural gas in underground storage, at $3,509,137. Of this, $1,637,137 was paid in cash and balance by assumption of Union's liability to **Trans-Canada Pipe Lines Ltd.** for a deposit of $1,872,000.

Last month, company completed a 142-mile 26-in. diameter gas transmission pipeline from Lambton County to a connection with Trans-Canada's facilities near Oakville, Ont. There, company will build a compressor station this year.

In addition to buying gas from major suppliers, storing, transmitting and selling it at wholesale to gas distributors, Ontario Natural Gas Storage & Pipelines will also store gas for **Consumers' Gas Co.** and lend gas to Trans-Canada.

Of the proceeds of the issue, $2,516,935 will be paid to Union Gas for the assets purchased from it; $5.5 million to Union Gas in repayment of advances from it; $4.4 million in repayment of bank loans; and the balance for general corporate purposes.

Capitalization outstanding, after giving effect to current financing, includes $20 million authorized and issued 5¼% first mortgage sinking fund bonds, due 1978; $7.5 million authorized and $6 million issued 5½% sinking fund debentures, due 1979 (held by Union Gas); and one million authorized and 476,000 outstanding npv common shares.

Pro forma balance sheet dated Nov. 30, 1957, shows properties valued at $22,570,364, current assets of $12,967,179, and current liabilities of $58,900.

Here is condensed estimate of profit and loss account for the 1958 and 1961 fiscal years, as prepared by the company:

Years Ending Mar. 31:	1959 ($000)	1962 ($000)
Gross oper. rev.	7,439	16,358
Less: Cost of sales, oper. & mtce. exp.	5,014	10,080
Depreciation	1,104	1,224
Int. & other debt chges.	1,303	1,366
Profit before inc. tax	18	3,688
Prov. for inc. taxes	20	1,820
Net profit	*2	1,868

*Loss.

The subsidiary's estimated net profit of $1,868,000 for 1962 would equal $2.12 on each of the parent company's 882,751 shares outstanding at Nov. 20, 1957. It is equivalent to 79% of the parent company's net of $2,359,836 in the year ended March 31, 1957.

Investment Fund

Champion Fund Asset Value Drops By 7%

CHAMPION MUTUAL FUND OF CANADA LTD., Montreal, total net assets decreased 6.7% to $236,894 at Oct. 31, 1957, compared with $253,808 at Aug. 30.

Portfolio changes during the two months ended Oct. 31 included addition of one bond, elimination of 12 common stocks, and an increase in preferred stock holdings.

Here are the changes in detail:

	Amount held at Oct. 31 1957	Change since Aug. 30 1957
Bonds:	$	$
Govt. of Canada 3%/58	5,000	+5,000
Preferred Shares:	Shares	Shares
Cdn. Breweries $1.25	100	+50
Howard Smith Paper $2	95	+45
Shaw. Water & Power 4%	200	+50
Common Stocks:		
Consol. Mining & Smelting	...	—350
Falconbridge Nickel	...	—100
Steep Rock Iron	...	—100
American Metals	...	—200
Massey-Harris	...	—600
Dom. Foundries & Steel	...	—110
Republic Steel	...	—40
Russell Ind.	...	—200
Ford of Canada	...	—100
Con. Cement	100	—100
Gypsum Lime	...	—100
Cdn. Pacific Railway	...	—100
Bell Tel. Co. of Can.	150	+93
B.C. Power	...	—100

More Pulp Mills For West Europe?

Sandwell & Co., Vancouver consulting engineers, have been retained by the Organization for European Economic Co-operation to conduct a survey of the possibilities of establishing small pulp mills in Europe.

Participating in this survey through the OEEC are: Austria, Belgium, Denmark, France, the Netherlands, Italy, Eire and U. K.

P. R. Sandwell, president, says that preliminary studies are being prepared to form the basis of field surveys in the spring.

Purpose of the survey is to establish the technical and economic feasibility of establishing pulp mills in the eight countries, based on the utilization of small scattered sources of raw material.

ANNOUNCEMENT

Appointed to Board of Confederation Life

PIERRE P. DAIGLE

Confederation Life Association is pleased to announce the appointment of Pierre P. Daigle, Montreal, as a policyowners' director. Vice-President of Daigle & Paul Ltd., Mr. Daigle is a director of RCA Victor Co. Ltd., International Paints (Canada) Ltd., and other companies.

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The company, which is a national house, has been established for many years, and is, of course, a member of The Investment Dealers' Association of Canada and leading Canadian Stock Exchanges.

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A Close Look at Pearson

(CONTINUED FROM P. 3)

made intelligible to ordinary people — but there are times when everything can't be told.

If he ever becomes prime minister, he will find it is not always the same in domestic affairs; and if newspaper reporters or others don't understand the difference as quickly as he does, he will find it irritating; his irritation will probably show; and they will say Mike Pearson has changed.

Silence Is the Answer

There is little doubt that Pearson is quite capable of saying "no" to requests he does not approve of. But he will always prefer that you "leave it with him", and let his silence provide your answer.

If you then keep at it, demand explanations, argue the toss, try to change his mind, the chances are that he will be annoyed.

This explains another of the big uncertainties which hang over Mike Pearson.

If he were to become prime minister could he bring authoritative direction and control to a cabinet of some 20 ministers?

He cannot be ruthless, as Mackenzie King was, and as you can imagine Diefenbaker being. Could he even make himself the clear boss?

He is one of the world's worst haters. Hate is too direct and disagreeable.

(One case where he was most deeply involved was that of Herbert Norman. Pearson could not possibly have sat back in his chair and worked out the most expedient political method of discussing it. He felt a direct personal responsibility, which invoked all his instinct for friendship and all his sense of right and wrong. His friends at the time were filled with admiration and sympathetic affection; but many of them thought his public gestures were less astute than they might have been.)

With practice even Mike Pearson may grow hardboiled. But it is still an open question whether he could harden his heart and assert his personal rule firmly enough to keep his ministers efficient and turn away his weak sisters.

The question will not arise until he has first proved whether he is a good enough politician to win an election.

If he can win the next one, it would be a real tour de force and a unique personal victory. For he has precious little to build on.

And if he can win, can he do it without debasing his own standards?

For that voice will never be quite silenced: "Do what is right."

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SYLVANIA	FEB. 21, MAR. 21,	FEB. 22, MAR. 22.	APR. 16, MAY 8, MAY 30, JUNE 20, JULY 11.
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852A

THE BOND MARKET

By PAUL S. DEACON

Too Much Speculation Here?

Interest in Capital Gains Affects Price Pattern

For most investors, the stock market is the glamour performer of the investment scene.

Stocks hold their attention, and fascinate them even when they're going down. When you hear that "the market" is doing something, you can usually be sure the reference is to stocks, not bonds.

Just recently, however, bonds have been coming more and more into prominence. In both the U. S. and Canada, they have become a popular speculative medium at a time when stocks have been hugging their 1956-57 lows.

The upward surge in bond prices in the last quarter of 1957 has reflected not only a lessening in the previously hectic demand for money, but also an expectation among investors that money and credit will be made still easier to get.

There is evidence that central monetary authorities in Canada and the U. S. are not too happy about the speed of the rise in bond prices.

They have been indicating all along that any easing in credit would be carried out as gradually as possible, in order to avoid renewal of the inflationary trends tight money was designed to stop. On the basis of actual changes in the supply of money in relation to demand, however, bond prices have probably risen more the credit ease to date would warrant.

Price Structure Not Dependable

This has given rise to what some regard as a not-too-dependable price structure in the bond market.

For instance, in the U. S., the Treasury is interested in lengthening out the maturities of its debt.

This is not new—the Republicans made attempts in this direction in 1953 as part of a "sound money" program. Then declining business activity forced them to switch to an easy money policy and a return to short-term financing.

As a result, only $8 billion out of a total marketable debt of $164 billion matures as far in the future as 1974. By far the greatest part comes due in five years or less.

On the basis of the recent rise in bond prices, it would look on the surface as though this is a great time for them to sell long-term bonds. But the speculative element in current prices is such that the investment community there is discussing possible methods the U. S. Treasury might try in order to find out how much depth there is in the present demand for long-term bonds. They don't trust present prices.

Help to Maintain Orderly Markets

The feeling seems to be that it wouldn't take much to satisfy the "real" demand for long-terms, and that the speculators would back away if new long-term issues appeared in any quantity.

A similar problem faces the federal government here. Roughly one third of the present $12½ billion federal debt matures within the next three years, and $1.8 billion in just one year.

It would seem logical to refund as much as possible on a fairly long-term basis. If this could be done at the reduced interest rates now prevailing as a result of the rise in bond prices, it would greatly improve the pattern of maturities in years to come.

If on the other hand, present prices include a large speculative element, gauging the real market becomes much more difficult.

That's one good reason why the federal government and its fiscal agents, the Bank of Canada, probably aren't too keen on heavy speculation in the bond market.

Some measure of speculation is a healthy factor, because active trading promotes better markets and in the long run, more stable markets. But central banks, as part of their job, tend to "lean against the wind" to help maintain orderly markets and iron out temporary fluctuations, whether this occurs in prices of treasury bills, bonds or in foreign exchange.

When treasury bill yields dropped sharply in November last year, it was logical that they would be encouraged to retrace part of their progress (FP Nov. 30). This happened in December and they have remained at yields of around 3.65% recently compared with about 3½% late in November.

When the government-guaranteed $300-million Canadian National Railway issue was offered Jan. 7 at 97, the bonds quickly moved to a premium as the speculators moved in. They sold up to about 98½ before selling back down to just above the issue price.

The drop in CNR prices brought criticism of the Bank of Canada among some investment dealers who claimed the Bank was deliberately forcing down prices by selling bonds.

On the other hand, if the Bank carries out its normal function of helping maintain orderly markets, such an action would appear logical. And if it is interested in testing just how solid present bond prices are, in view of the large amount of government financing ahead, such action would also be logical.

Seasonal Pattern Of Money Supply

One other factor in the situation, undoubtedly, is the seasonal pattern of the central bank's open market operations at this time of year.

The Bank normally pumps money into the banking system through purchase of securities just before Christmas, pumps it out again by selling securities after Christmas. Roughly $150 million is involved, of which perhaps $130 million is withdrawn in January and $20 million in February.

Quite often, this operation is carried out through the treasury bill market. But the demand for treasury bills hasn't been too robust recently, and withdrawing money through market operations in this sector would have tended to boost treasury bill yields abnormally.

On the other hand, the demand for longer term securities has been good. So sales of bonds became a logical means of accomplishing the operation.

Sale of bonds, of course, tended to push bond prices back down somewhat. And in the process, some investors looking for a quick speculative profit have undoubtedly been disappointed.

It remains to be seen how long they will remain so.

Bond Prices May Go Higher

While orderly markets have merit and excessive speculation has disadvantages, there is much to suggest that bond prices will work their way higher still.

Government policy in both the U. S. and Canada is swinging firmly in the direction of deliberate help for business activity. This presumably will include continued easing of money and credit, and therefore lower interest rates.

Some of the effect of this expected policy may already have been taken into account in current prices. In addition, the fairly large volume of financing ahead will tend to restrain price increases.

But many investors continue to look on the bond market as the most profitable area for putting their money to work right now.

ANNOUNCEMENT

CARTER, CUMMINGS NAMES SALES VICE PRESIDENT

D. C. THACKRAY

WINDSOR, Ont. — Appointment of David C. Thackray as vice-president in charge of sales of Carter, Cummings & Co., Ltd., pharmaceutical manufacturer, was announced by Harold V. Hopkins, president. Mr. Thackray was born in England and received his education there and later in California, where he entered the pharmaceutical industry. After serving five years with the R.C.M.P., he joined Carter, Cummings in 1944 as medical representative in British Columbia and Alberta. Mr. Thackray was appointed field supervisor in 1949, and sales manager in 1951.

Power Budget Equals 1957

From Our Own Correspondent

WINNIPEG — The Manitoba Power Commission's 1958 program will call for expenditures at least equal to the $7 million asked for 1957, most of it for additions and auxiliaries to reinforce its present system to meet increasing power load.

One of the main projects is a new 115,000-v H-frame transmission line from Brandon to Dauphin, a route of about 100 miles which passes through Riding Mountain National Park.

Clearing of the right of way to be completed by March 31 has already started.

The new line will cost about $1 million. The commission now has three 66,000-v lines to Dauphin, two from Neepawa and one from Minnedosa through Roblin.

Their combined facilities will soon be inadequate to meet requirements in the area north and west of Dauphin and the new line is needed to assure continuous service.

Only a negligible part of 1958 expenditures will be needed for addition of farm hook-ups.

Lines already built are adequate to make power available to most farmers who may apply for it.

Practically all the work will be for strengthening the system to carry the load which the past year has increased rapidly in the north and west of the province.

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$40 Million CPR Bonds Offered to Yield 5.14%

MONTREAL (Staff) — Offering of $40 million 5%, 25-year collateral trust bonds of **Canadian Pacific Railway Co.** is being made by a syndicate headed by **A. E. Ames & Co., Wood, Gundy & Co.** and **Dominion Securities Corp.**

Price is 98 and accrued interest to yield about 5.14%. Bonds will be dated Feb. 1, 1958, and mature Feb. 1, 1983.

Proceeds will be used in part to reimburse the company treasury for capital expenditures already made. In 1957 capital expense was about $130 million; aggregate balances of cash and temporary cash investments were sliced about $70 million.

In the 11 months ended Nov. 30, 1957, net earnings of rail operations were $34.5 million, compared with $37.3 million in same period of 1956.

Net earnings do not include other income which in full year 1956 was $30 million, after income tax provision of $9.7 million. Net earnings figures are before deductions of fixed charges.

Net profit (after fixed charge deduction) in first half 1957 was $19.9 million ($21.6 million a year earlier), and in full 1956, $55.6 million ($44 million). Fixed charges in 1956 were $15.8 million, down from $16.2 million in 1955.

CPR this week formed a wholly owned gas and oil subsidiary to operate its holdings in the western oil industry. It is also seeking to expand its highway transport interests, and plans expansion of its truck-trailer-on-flatcar "piggyback" operations.

In addition to railway property (net investment $1,312 million at the end of 1956), CPR has extensive interests in air and ocean transport, telegraphs, hotels, express service, mining, chemicals, and power. Expansion and/or modernization is under way in most of these.

Bonds can be redeemed before maturity at company's option in principal amounts of not less than $5 million.

Redemption will be at 103.75% of principal amount before Jan. 31, 1960, thereafter at percentages decreasing by 0.35% every two years until 1970, 0.30% every two years until 1980, 0.30% in the following year; and at par from Jan. 31, 1981, at maturity.

After current financing, outstanding capitalization will consist of $292.5 million consolidated debenture stock, $44.5 million equipment obligations, $139.6 million collateral trust bonds, $137.3 million preference stock, $351.7 million ordinary stock.

114 Stocks Yield Averages 5.40%

The average yield on 114 dividend-paying stocks on the Toronto Stock Exchange, as compiled by **Moss, Lawson & Co.**, on the prices of Jan. 20, was 5.40%, off .05 from the previous week. The current yield compares with 5.55% one month ago and 4.94% in the corresponding week last year.

Here is the yield by the various groups:

	Jan. 20 %	Week Ago %	Month Ago %	Year Ago %
Common	4.90	4.98	5.09	4.42
Pfd. & A	5.27	5.35	5.40	5.03
Mining	7.07	7.01	7.19	6.59
Banks	3.88	3.91	3.87	3.13

Profits Here?

A regular listing of latest studies by investment firms.

1957 REVIEWED — Dominion Securities Corp., 50 King St. W., Toronto.

FOREIGN SECURITY PRICES — New York Hanseatic Corp., 120 Broadway, New York 5, N.Y.

INVESTING IN EQUITIES — G. W. Nicholson & Co., 67 Richmond St. W., Toronto.

HIRAM WALKER-GOODERHAM & WORTS —J. H. Crang & Co., 40 Adelaide St. W., Toronto.

1958 PROSPECTS — MacDougall & MacDougall, 507 Place d'Armes, Montreal.

GAS DISTRIBUTING CO'S — Savard & Hart, 230 Notre Dame W., Montreal.

CANADIAN DEVONIAN PETROLEUMS — J. H. Crang & Co., 40 Adelaide St. W., Toronto.

Dividend Changes

VICTORIA & GREY TRUST—Capital, 30c, payable Mar. 17 to holders of record Feb. 14; ex-dividend Feb. 12. Total payable to date in 1958, 30c; total paid to same date in 1957, 25c; total paid in 1957, $1. Recent price $25.

IGA Grocery Chain Sales Rise 39%

Total sales of **Independent Grocers' Alliance** member stores across Canada reached a record $207.4 million in 1957, a 39.2% increase over $149 million in 1956.

IGA ended the year with 630 stores, an increase of 55 over 1956 and many of them in new areas, reports J. F. Danmore, vice-president and general manager of Canadian operations.

Cost of IGA's development and modernization program in 1957 was over $12.5 million.

Current rate of sales in member stores, together with plans for opening additional outlets, indicates sales in 1958 will reach about $229 million, company says.

B & W

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TAURCANIS MINES LIMITED

An analysis of the 1957 work carried out on the Company's Gold property in the Yellowknife district of the Northwest Territories is now available.

In the drifting so far completed, CONSISTENT HIGH GRADE GOLD has been encountered on all four underground headings.

The 300 ton mill suggested by diamond drilling may well have to be revised upwards as 1958 operations develop.

DECOURSEY-BREWIS MINERALS LIMITED

Mercury value approximately $2,000,000 has been produced at the Company's RED DEVIL Mine in Alaska in the short space of 20 months since the operation started. This makes DeCoursey a top producer of Mercury on the North American Continent.

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Southern Canada Net Profit Rises

MONTREAL (Staff)—**Southern Canada Power Co.** was serving 83,454 customers at the end of November, it reports in a letter to shareholders.

In October-November, first two months of the fiscal year, company installed 48,100 w of new street lighting. Merchandise sales for the two months were $260,180, an increase of $36,720 over same period the year before.

These sales represented additional connected load of 2,550 kw, included $21,000 in appliance sales and $18,450 in lamps.

Net profit in the two months was $320,054, up $7,260 from previous year. (**FP**, Dec. 28.) Company is a subsidiary of **Shawinigan Water & Power Co.**

Executive Changes At Mersey Paper

MONTREAL (Staff) — Major management changes have been made at **Mersey Paper Co.** They were announced on behalf of Sir Eric Vansittart Bowater, chairman and chief executive officer.

B. J. Waters retires as president effective July 1, to be succeeded by J. H. M. Jones, now vice-president and general manager.

R. L. Seaborne, vice-president and woodlands manager, will retire. J. A. Parker, secretary-treasurer, will become a vice-president as well. Waters remains a member of the board.

ALCAN OUTPUT CUT

Decision of **Aluminum Co. of Canada** to take Kitimat potline No. 5 out of regular production—causing layoff of about 60—is further reflection of current world overcapacity of aluminum. Earlier Alcan postponed completion of additional capacity at Kitimat.

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Mtl. Exchanges Alter Margins

MONTREAL (Staff) — Montreal and Canadian Stock Exchanges have altered margin requirements on stock purchased at more than $1 which then drops below that value.

Now the margin requirement of 50% on stock worth more than $1 will apply in this particular case. In the past when price went below $1, no margin was allowed.

Previous rule barring margin on stocks bought for less than $1 continues.

The Toronto Stock Exchange for some time has followed the margin policy now being adopted by the two Montreal exchanges.

As principals we offer subject to prior sale:

NEW ISSUE

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Immigrants and Jobs

Between December, 1956, and December, 1957, 522,000 people were added to the Canadian population. This was a record rate of growth amounting to 3.4% in the year.

Much of this growth resulted from the record immigration of 1957, when about 280,000 people entered Canada. Most of them were young adults in their working years. These were immediate additions to the labor force and they help to account for its sharp rise of 3.9% between November, 1956, and November, 1957.

The impact of the record immigration carries through to the unemployment figures. The number of persons out of jobs and seeking work was 292,000 in November 1956, compared with 135,000 on November 10, 1957. Much of this must result not from genuine slowdown in the economy, but from failure to absorb immigrants into employment at a sufficiently rapid rate.

This should not surprise us. Many immigrants came to Canada not for economic reasons but in search of a refuge from the Communist terror in Hungary. Many others came in protest against conditions elsewhere in Europe, rather than in response to opportunities here. It would have been a miracle if all these people had fitted quickly and deftly into the community. Some lag in the creation of jobs for them was inevitable.

This is not to say that immigration should be cut off because it can cause unemployment. The arrival of newcomers creates additional demand for the products of the two industries which are the greatest job-makers in the economy, construction and agriculture. All immigrants need shelter and food. Once their demand has time to become effective, they will create their own jobs and others besides.

What about the new citizens who came, not by way of passport and visa, but by way of the maternity ward? There were 440,000 of these in the first 11 months of 1957, and they are doing their part to maintain consumer spending and boost sales. It's estimated that each additional child increases the non-deferrable expenditures of a family by ten to twenty percent. Junior wants his strained fruit now, not tomorrow; he must have a carriage this month, not six months from now.

Population growth is probably the strongest single force underlying economic growth. Adding 522,000 people to our population in one year may have created some problems of digestion and assimilation, but it is one of our best ultimate assurances of continued buoyancy and more jobs.

Get Out of Our Seats

Education is not the only race the people of this continent may lose to the Russians. Physical fitness is another.

The current monthly letter of the Royal Bank cites some statistics concerning the stamina of the children of North America. Their leg and abdominal muscles are far weaker than they should be, it reports. They are more prone to certain diseases of the bones and organs of movement than were the children of a few generations back.

In the old days children had chores to do, walked miles to school and played outside. The modern child has few if any regular family chores, sits around inside and rides everywhere. "The older generation was tougher because it had to undergo adequate physical activity in the normal routine of living."

If we are going to regain our old-time vigor, as this Bank Letter points out, then young and old must get out of their seats, and cease being a race of riders and spectators.

"We sit at our desks in schools or offices all day; we sit on the bus or train or in automobiles while going to and from school or work; we sit before our television sets, in the stands at hockey, baseball and rugby; we sit in our cars or on buses on our way to the theatre where we sit again to watch a play or moving picture."

Is it any wonder we are getting soft?

"Soil Bank" Results

The fancy American scheme known as the soil bank, which compensates farmers for taking land out of production, has now been running for two years. In that time more than a billion dollars has been paid out, one farm in Kansas drawing $278,178 and another in Arizona $209,701 but U. S. crops have equaled all previous records.

In the five years 1953-57 the U. S. Government disposed of $12 billion worth of surplus farm products, mostly by cut-rate sales, giveaways and barter deals; but it had $4.2 billion worth more on hand at the end of the period than at the beginning.

Only a country as fabulously rich as the U. S. could afford the economic lunacy of trying to reduce food output by subsidizing agriculture. So long as American farmers have votes, there is perhaps not much use in complaining to Washington about the damaging effect of American policy on Canada. But at least this country can learn from the U. S. example.

Americans Don't Forget

Some 34,000 books have been published about the American Civil War, it is estimated, and the number will certainly be increased substantially as the hundredth anniversary of that bloody struggle is observed three years hence. That's quite a contrast to the half dozen or so volumes dealing with Canada's two little civil wars or rebellions.

Of course the battles of Montgomery's Tavern, St. Eustache and Batoche were neither as big nor as sanguinary as Gettysburg or Shiloh. Historically, however, they were just as decisive. Like the two U. S. engagements they put an end to any dreams of national separatism.

Scores of millions of Americans and a good many Canadians too, know all about Shiloh and Gettysburg, about who fought whom and why. But they know little or nothing about what happened here in 1837 and 1885.

Perhaps there have been too many American Civil War books but certainly there have been far too few, and interesting ones about our own struggles towards nationhood. Canada did not emerge ready-made into the 20th century. We would be better and prouder Canadians with a little more knowledge of our past.

Can the Railroads Survive?

There's an inquiry getting under way at Washington which could be of considerable indirect benefit to Canada. The heads of the main United States railroads are meeting with labor representatives, economists and government officials in an effort to work out some permanent national policy which would permit the nation's railroads to survive.

The present situation is grim, the American railwaymen claim, and it is rapidly getting more so. Most of the lines are losing money in big chunks and only fantastic fare or freight boosts — one mentions 390% — could, in theory, make them profitable. Actually, of course, even a fraction of such boosts would drive virtually all remaining traffic straight into the arms of competitors. That is not the sort of solution being sought.

In 1929, 75% of all freight in the United States moved by rail, but competition, mostly from motor trucks, pushed that proportion down to less than 50% by 1956. In the same period competition mostly in the form of private motor cars and commercial airplanes has reduced railway passenger traffic from over 70% to less than 35%.

The American railroads today, solemnly assert the rail heads gathered at Washington, simply have not the capacity to do anything like the job they accomplished in moving men and materials in the last war. And that capacity will continue to dwindle, they hint bluntly, unless the railways are subsidized by government as an essential public service.

In Canada the picture is different and a good deal brighter. In this country the railways still dominate largely in the long-haul fields. But only in the most prosperous of recent years have our lines been able to make any money. And in this business as in most others our experience has been that what happens in the United States sooner or later is usually reflected here. In any case we would be well advised to follow closely this U. S. inquiry and its results.

More Than Politics

There's more than politics in the stream of letters from provincial premiers to Ottawa asking about the dominion-provincial conference originally scheduled for "early this year." Without definite information about the federal government's financing plans, the provinces find it hard, if not impossible, to lay plans of their own.

It's true that, in the absence of a new agreement, the existing tax pact remains in force. But the actual amounts of money available to provinces under the agreement are affected by the rates imposed by the federal government as well as by the size of the Gross National Product. Federal spending policies also affect provincial financing. The provinces participate in some of the welfare payments that Ottawa promises to boost, while provincial spending on public works will definitely be affected by Ottawa's plans for financial assistance for specific projects.

The fact that Manitoba is pressing particularly hard for information may be partly due to the fact that Premier Campbell is a Liberal. But over 40% of Manitoba's provincial revenue is derived from tax-agreement payments. Manitoba has a reputation for being financially prudent, and no prudent treasurer could face, without dismay, the prospect of planning expenditures and setting provincial tax rates without more financial facts than are now on hand.

Moonlight and Roses

One of the most interesting features of Walter Reuther's new bargaining demands is the fact that he has abandoned the attempt to cut the work-week. The steady reduction in hours worked per week, combined with a steady rise in wages, was supposed to spread the work and create more jobs and more pay for members of the UAW.

In practice, it has been discovered that when a man's hours are progressively reduced he is more than likely to take a second job — to become what is now known as "a moonlighter." Beyond a certain point, he would rather work than loaf; he would rather have more money than more leisure. The net result of the shorter work week has therefore been, in many cases, an increase in the total number of hours worked in a week, and a reduction in the number of jobs available.

An additional effect, which may help to account for the declining rate of increase of productivity in North America, has been to put skilled men to work, for part of their time, at unskilled or semi-skilled jobs, depriving the economy of the full benefit of their specialization.

As a substitute for the short work week, which led to moonlighting, the UAW has produced a fancy formula for profit-splitting.

They can hardly expect this to be taken seriously if for no other reason than the fantastic cost of administering the plan, but it will provide a means of distracting public attention from the genuine bargaining matter: wage-rates. It is intended to cast a rosy glow of idealism (something for the consumer, something for Uncle Sam) over the plain fact that, even when employment in the industry is declining, the UAW wants to go after more pay.

A Pioneer History

"A Wheatland Heritage," a well-printed and well-bound 275-page book just published in Saskatoon, is an unusual production.

For one thing, it is the history of pioneer days in the rural municipality of Snipe Lake in southwestern Saskatchewan; and there are not many such histories extant. The author, Mrs. E. Vernette Armstrong, of the town of Eston, has lived for years in the district. This is her first venture in authorship. She spent five years in research to produce a lively, factual account of Snipe Lake's early settlers and their hardships and triumphs in the period 1906-17.

The other interesting point about the book is that it was launched as a kind of community venture, part of Snipe Lake's celebration of its 50th anniversary. People responsible for it wondered if it would find a public. A little to their surprise, they have sold nearly all the 1,000 copies that were published; and "A Wheatland Heritage" is today to be found in public libraries in New York and London, England, as well as across Canada.

Not enough local history is written in this country. Snipe Lake's and Mrs. Armstrong's good example should be followed elsewhere.

Napier Moore's ScratchPad

THIS IS CHAPTER II of the Saga of Cecil.

Last week I told how the Nassau Guardian had asked me if I could find it a young reporter; how I had beguiled Cec from Toronto by extolling the Island of June; how he arrived in a cloudburst; how the next day he was impressed into helping us put up shutters against a junior hurricane. All of which, happening between a Thursday and Saturday, was really nothing at all.

Early on the Sunday morning, Nassau was stricken by a general strike. Palpably, this was an outcome of the breakdown of negotiations between the Taxi-cab Union and the Tour Companies which followed a taxi blockade resulting in the closing of the new airport a few hours after it was opened. Actually, with the intervention of the Bahamas Federation of Labour and a radical political party called the Progressive Liberal Party, the general strike was much more serious than that. It was part of a racial upheaval that has been brewing for a long time and which has been cleverly stimulated by unseen Communist elements.

FIRST MOVE was the calling out of all Bahamian hotel workers. White managerial staffs struggled valiantly to take care of their guests. At the British Colonial, the assistant manager was running the elevator. At the Royal Victoria, one reservations clerk turned chef and another made beds. At the Emerald Beach, the office staff served buffet meals and did the rooms with the assistance of guests. But that afternoon the hotels announced that if the native staffs weren't back by Wednesday morning they would close.

Goon squads raced around the island of New Providence threatening workers who didn't want to walk out.

Monday, electrical maintenance workers and garbage collectors quit, imperilling power, light, water and sanitation. Restaurants closed.

The exodus of hotel guests and tourists began.

Tuesday morning, the Governor, sticking to the customary pomp and ceremony, opened the Legislature. A hostile crowd booed him. Police riot squads were held in readiness.

Cruise ships didn't disembark passengers. Airlines were busy moving visitors out.

Tuesday afternoon, Bay Street shops, hotels and private homes were being shuttered. Meanwhile, B.O.A.C. and British West Indian aircraft had been diverted to Kingston, Jamaica, ready to move troops. That evening the Governor summoned troops.

Tuesday night, with the mob being worked up by labor leader speakers at a mass outdoor meeting, white residents were in a state of tension. All bars and liquor outlets were ordered closed.

CEC WAS IN on all this. Then the Guardian plant, housed in an old airplane hangar, was plunged into darkness and the machines went dead. A weighted wire had been thrown over high-tension lines. Later, service was restored.

At midnight came a mystic call from a friend of mine. He said, "They're here," and hung up. I phoned the Guardian. The president of the company answered. He said, "The managing editor and Cec have beat it to the airport. Troops are landing." Half-an-hour later he phoned me. He said, "Joe and Cec are being held by armed police at the airport. They won't be allowed out until the troops are on their way to town. I'm trying to carry on, but I'm no newspaper man. I have written a big banner line, 'Troops Here' but in that size type we're short an 'R' and it won't go in anyhow. What do I do?"

I suggested he make it "Troops In." He thought that was brilliant.

I was a bit worried about Cec and his reactions to life in Nassau. At 1.30 a.m. I phoned Joe, the managing editor, to ask how Cec was. He said, "Well, he hasn't had anything to eat since breakfast, but he hasn't been as happy since he got here."

WEDNESDAY, with every hotel closed tight, Nassau awoke to find troops in full battle kit guarding the public utility buildings. Later in the day, fortunately in time, electrical technicians investigating a localized power failure found a stick of dynamite wedged in a high-tension switch.

A London newspaper cabled that its New York correspondent was flying down and would arrive late at night. Plane services having been cut, no plane was coming in late at night. Moreover, late at night or after dawn there'd be no place for him to stay.

Wednesday night I phoned Joe to enquire as to the welfare of Cec, for whom I felt a sort of responsibility.

Said Joe, "He hasn't had anything to eat since breakfast, but he's in great form."

Thursday morning — I've got to dash out and fasten a loose storm shutter. There's another gale blowing.

Stop Me, If—

Two college professors were earnestly discussing the increasing cost of living. "Everything is always going up," said one.

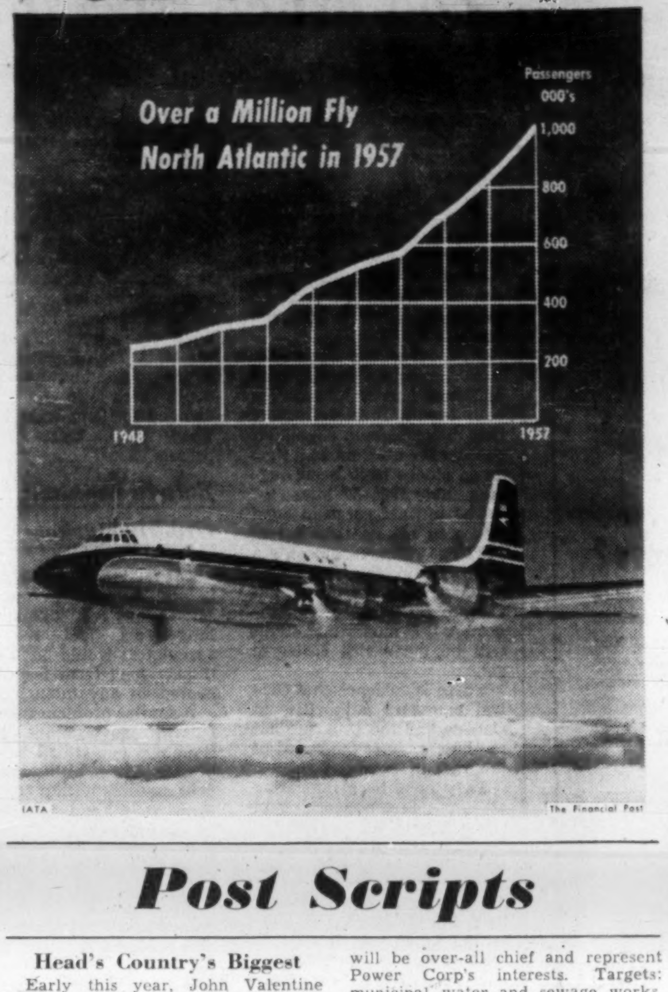
"Oh, I wouldn't say that," replied the other. "For instance, there's your opinion of me, my opinion of you, and the students' opinion of us both."

* * *

In an old country bus was a dignified man carrying a pair of women's shoes. He had evidently collected them from the repair shop, and was taking them home to his wife, but had not been supplied with wrapping paper.

A man opposite was interested. Finally he leaned over, tapped the dignified one on the knee, and said, with a knowing wink: "That's right, gov'nor, don't let 'er gad about."

OLD STORY NOW



Post Scripts

Head's Country's Biggest

Early this year, John Valentine Clyne left a meeting of the directors of MacMillan & Bloedel Ltd. where he had just been elected chairman of the board, and for the first time, entered the company's modern, 9-story office building nearby. He had just become chief of the country's biggest lumber empire and one of the largest in the world. He didn't know where his office was. Few of the staff had ever seen him before. The news of his election to head the board was one of the biggest surprises in the British Columbia business community in many a year. A few days earlier Clyne had resigned as a justice of the B. C. Supreme Court.

MR. CLYNE

"I left the bench," he said, "with a great deal of regret. I thoroughly enjoyed all the time I spent as a judge. But I frankly wanted to get more active participation in business. I wanted to do something a little more constructive."

Clyne is a native British Columbian. During his high school days he worked as a junior sports reporter. When he was at university he spent holidays as a cowpuncher in the Cariboo country and as a lumber piler elsewhere. He graduated from the University of British Columbia in 1923, articled to a law firm, left his chosen profession to sign on a freighter, articled again in London, England, returned to Vancouver, got married, spent two years in practice in Prince Rupert and then returned to Vancouver.

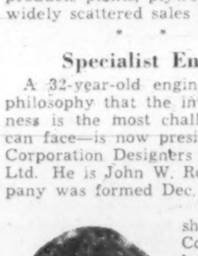
He has always been attracted by the sea and decided to make maritime law his specialty. He developed into an admiralty lawyer and in 1947 began a two-year term as chairman of the Canadian Maritime Commission. In 1949 he was named to the bench. In 1951 he declined an offer to become chief commissioner of the Board of Transport Commissioners in Ottawa.

His first move will be to see his empire, and it is a big one. It contains hundreds of thousands of acres of timber, pulp and newsprint plants, sawmills, logging operations, forest products plants, plywood plants, and widely scattered sales offices.

Specialist Engineer

A 32-year-old engineer — with a philosophy that the investment business is the most challenging a man can face — is now president of Power Corporation Designers & Consultants Ltd. He is John W. Rook. The company was formed Dec. 1.

It is an offshoot of Power Corp. of Canada formed to expand into more general engineering. In the past, Power Corp. has maintained an engineering staff largely concerned with hydro power engineering.



MR. ROOK

Expansion of Power Corp.'s associated companies such as Northern Quebec Power Co., Northern British Columbia Power Co.; East Kootenay Power Co., Bathurst Power & Paper Co., and rapid utilization of all available hydro sites, caused Power Corp. to think of expansion into other fields of engineering. That is the role of the newly formed company.

Donald D. Dick, formerly chief civil engineer of Power Corp., takes over as vice-president and general manager. His will be the administrating and engineering responsibility. Rook will be over-all chief and represent Power Corp's interests. Targets: municipal water and sewage works, pulp and paper mills, hydro and thermal power plants and industrial and process engineering.

Responsibility is not new to Rook. Son of the Canadian H. W. Gossard Co., managing director, W. A. Rook, he spent his early years largely in Chicago, with stays in London, England and New York.

At 11 he came to Toronto. In the basement of the family home he set up a chemistry laboratory. Amid the inevitable carpet-searing explosions, a real love of chemistry grew.

At University of Toronto Rook collected first class honors each year of his engineering course. A year as a time and motion study engineer at Procter & Gamble followed, then Harvard Business School in October, 1947. He majored in finance and was graduated with distinction.

Three years with Industrial Development Bank found Rook in Vancouver. "I had been investing my savings," he explains. "It increased my interest in the investment business. Eventually I decided to enter it full-time." He became assistant to the president of Yorkshire Securities in Vancouver.

"After a year and a half I decided that to progress in the investment field it was probably best to be either in Montreal or Toronto." In 1953 Rook went east to Toronto where he became assistant to the vice-president of Cochrane, Murray & Co., specializing in underwriting and "special situations."

Late in 1955 Power Corp. had a rather special requirement. An engineer with specific knowledge in investment, age 30, was needed. It was not long before Rook was Montreal-bound to fill the post.

He became assistant to P. A. Thomson, the president. After Thomson's death he was assistant to Dean Nesbitt, who took over. This year he became general manager of Power Corp. Since joining Power Corp. he has been appointed to the boards of 19 associated companies.

He lists only two real hobbies, amateur prospecting and skin diving.

Loblaw's New GM

A native Torontonian and veteran merchandiser, George E. Huffman, is the new general manager of the fast-growing Loblaw Groceterias Co.

Huffman received his education in Toronto. His early business experience included banking and insurance.

He began his food merchandising career in the pioneer days of the supermarket. Starting with Loblaws in 1924, he came under the personal guidance of the late T. P. Loblaw and the late J. M. Cork, the company's founders.

MR. HUFFMAN

He saw the evolution of the supermarket through its earlier days and had a great deal to do with its advance to its present standards.

His career consisted of steady advancement through all phases and departments of Loblaws, an experience which should serve him well in his present position. The stepping stone to his present position included grocery buyer, buying office manager, assistant merchandising manager, merchandising manager, and today—vice-president and general manager.

George Huffman is a well-known Kingsway resident, being one of the earlier home owners in this area. He is an ardent golfer and member of the Lambton Golf & Country Club, with a "hole in one" to his credit. Recently he has taken up curling through the Weston Curling Club. Other club memberships include the Canadian Club and the Empire Club.

What Others Are Saying

Editorial of the Week

Let's Get It Over

Vancouver Province

With each passing week it becomes clearer that Canada must have a general election as soon as possible.

If the Liberals do not succeed in precipitating one, now the leadership convention is over, then the Conservatives owe it to the country—and to themselves—to find a reasonable excuse for asking the Governor General to dissolve Parliament.

(Only a stable government) can get on with the business of governing Canada through a period which, at home and abroad, requires its full concentration, without the added strain imposed by perpetually walking a tightrope.

Other People's Views

FOR THE MAN who can't spell, argues the **Hamilton Spectator**, "nothing is quite so valuable as also having illegible handwriting."

WHATEVER THE FEDERAL government may lack this year it will not be advice, observes the **Brantford Expositor.** "The seven royal commissions about to start work, on the job or just finished, will offer enough recommendations over a wide field of subjects to keep legislators busy for years—or fill a good number of pigeonholes."

A RECOMMENDATION by the National Federation of Canadian University Students calling for scholarships for all qualified to enter university brings this comment from the **Peterborough Examiner.** "We should like to see the number increased and the value raised. But does anybody seriously think that a scholarship for everybody—putting the universities on the same financial plane as our public schools—would do anything much except raise taxes all over Canada?"

ORDINARY PEOPLE will be baffled by publication of details concerning northern radar defences in the official Canada Gazette, thinks the **London Free Press** which adds, "One can only hope that the Russians, who will surely welcome this information, will not be such cads as to read the Canada Gazette."

RETALIATION is a weapon we should refrain from using in our trade relations with the United States, says the **Regina Leader-Post**, but "the more we are kicked around, the greater will be our exasperation and the stronger will be our temptation to hit back where it will hurt."

THE DIVERSION of some of Canada's trade from the United States to other markets would be a good thing, declares the **Ottawa Journal**, which adds "but it would be a good thing not because we have reason to dislike Americans or imagine that they dislike us, but simply as a matter of economic wisdom — the wisdom of not wanting to have all our trading eggs in one basket."

WHATEVER THE CAUSE MAY BE the fact remains that our output per man hour day has definitely declined after a long rise, wages have advanced, and consequently prices have increased, observes the **Victoria Times.** "If this is not inflation what does Mr. Fleming call it? And if labor leaders continue to force wages upward while productivity falls where can that cycle lead except to unsaleable goods, falling prosperity and rising unemployment?"

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January 25, 1958

'Brass vs. Grass' Mainly Hokum

Liberal 'Rebels' Had No Candidate; Gladly Elected Lester Pearson

By J. B. McGEACHY

If party leaders are judged by their success in winning elections, as they usually are, Lester B. Pearson's test will arrive with his first or second opportunity to dislodge the Tories from power at Ottawa. Meantime, nearly all Canadians will be disposed to congratulate him and the Liberals as well.

People in every party, so far as I can tell, feel warmly toward Mr. Pearson, admire his gifts and character, take pride in his stature as a citizen of the world. Paul Martin, able though he is, did well to roll up as many as 305 votes with the Pearson renown stacked against him.

The leadership battle was of course the high point of the Liberal convention. I propose to offer some comment on it and on other incidents, including the oratory contest, the real or fictitious struggle between "brass" and grass," the Pearson acceptance speech and the decision (if it was really a decision) to hold conventions every four years.

I have done a modest amount of research on the alleged Liberal rule or practice of alternation in the leadership, French and "English" Canadians taking turn about. I come up with the conclusion that this supposed rule was the handiwork of Canada's greatest myth-maker.

It was good for the Liberals and for the country that there should be a contest for the succession to Mr. St. Laurent, even though Mr. Pearson looked like a certainty. But the Martin nomination was very clearly not a put-up job to save the convention from dullness. Talented, energetic and ambitious, Paul Martin has been aiming at the top office since he was a youth.

By the rules of the game he was entitled to any fair advantage he could lay hold of, and even to some dramatic trimmings that might prove to be tinsel in the cold light of day. But it was sheer comic opera to put him forward as if, by contrast with brass-hat Lester Pearson, he was the champion or choice of some grass-roots, ginger, youthful, progressive or otherwise rebellious Liberal wing.

Both Top Brass

Messrs. Pearson and Martin have both been top brass in their party for years. Moreover, they're roughly equidistant from the centre.

There was indeed one bright-green grass candidate in the person of Rev. H. L. Henderson of Portage la Prairie. Mr. Henderson, I suspect, had been reading how in 1896 youthful Wm. Jennings Bryan, lone delegate on the floor of an American convention, captured the Democratic nomination for president with the famous speech: "You shall not crucify mankind upon a cross of gold." I caught an echo of this Bryanism in one of the Henderson flourishes.

Perhaps the Manitoba man was trying to do a Bryan; and, if so, why not? Delegates at Canadian political meetings are not usually controlled or deliverable by bosses. There's no reason why an unknown shouldn't aspire to snare a Canadian party leadership with a silver-tongued oration. Mr. Henderson didn't make it; he got one vote out of 1,380.

This episode, it seems to me, goes to show that there was, as always, a good deal of hokum in the alleged dissidence or rebelliousness of "the grass." I say "as always" because, though Mr. Pearson coined the phrase about brass and grass only last year, the phenomenon of a supposed clash between the hierarchy and the rank-and-file has cropped up at every convention I've attended since 1928.

J. B. McGEACHY

> "Canadians feel warmly toward Mr. Pearson, admire his gifts and character, take pride in his stature as a citizen of the world. Paul Martin, able though he is, did well to roll up as many as 305 votes."

In fact, when it comes to leadership anyhow, there's nothing to stop the grass blowing with the wind where it listeth; but it never has anywhere to go except into the procession behind a tried and true party stalwart. Obviously there was no "protest" or even recalcitrant vote at the 1958 Liberal convention.

There's one more point I'd like to make about the leadership fight. I think the oratory contest that precedes the vote is an undignified custom that should be abandoned. Instead, each nominee should be the mover of a plank in the platform; this would give him a chance to show his powers in expounding the question closest to his interests and experience.

As it is, he speaks when there's no motion before the house. Modesty forbids him, or nearly forbids him, to advertise his own merits. He has to fall back on "the great principles of Liberalism." While this is a good subject for a thoughtful book, the topic yields only tedious platitudes (just like "the great principles of Conservatism") in a 20-minute stump speech designed to gather votes. The oratory display should go into the dust-bin.

The Acceptance Speech

In the realm of ideas, it seemed to me, the convention was as densely "wrapped in the old miasmal mist" as such affairs usually are. What Mr. Pearson said in his acceptance speech, it should be noted, was more important than what the platform says; and the speech was in part disappointing to his more discerning friends. This was Mr. Pearson trying to show, unnecessarily I thought, that he is no pink-tea diplomat but a battling politician with a wallop.

The battle cry that was sounded, which practically amounts to "down with the Tories for causing unemployment," is manifestly nonsense considering that the economic processes which brought Canada to its present position began long before June 10 last and are inexorable. But perhaps there's no use in complaining against what Carlyle called "talking to Buncombe and the twenty millions, mostly fools." This is often what democratic politics are like; and the only way to cut the cackle would be to disfranchise all who might be deceived by it, a tall order.

In platform-building at these conventions, even though not in leadership fights, there may be some reality in the "brass vs. grass" conception of what's going on. There is, after all, a real hierarchy in every political party. It may be called the national committee or have some other name. It has the job of winnowing kernels of wisdom from the chaff of proposals that pour into its lap from constituency associations. It polishes up the kernels, fuses them, adds some of its own and presents the whole platform as a kind of fait accompli.

There is no other way to get business done at a meeting of 1,200 to 1,500 assorted Canadians who have only three or four days to spend in argument and decision. In particular, there is no other way of reconciling the different, and perhaps even clashing, opinions that may flow from the five clearly marked regions of Canada. Only a small central group can do the necessary job of compromising or dovetailing.

Inevitably, however, because this work has been finished in advance and because time is short, there is the appearance of steam-roller tactics when the carefully tailored motions are offered for approval. This is the moment for action by the groups or individuals who hold unorthodox, minority, radical, outlandish or otherwise "different" views.

At this year's Liberal show, for obvious reasons, the rebels, the rank-and-file, the grass or whatever you want to call them had a wider opportunity than usual. June 10 removed from the seats of power the men who had guided the Liberal party for a number of years. There was suddenly a kind of hiatus or vacuum at the top. No longer was there a supreme court or sanhedrin of Liberalism to hand down swift, comprehensive and binding judgments on matters of organization and policy. Yet it doesn't appear that last week's convention re-wrote the Liberal program in any revolutionary way.

Floor Skirmishes

The truth is that skirmishes on platform issues, either in the resolutions committee or on the floor, rarely produce striking results. Time presses. The convention simply hasn't the necessary days, hours or minutes for extended debate on all questions.

Then, even if there's a demand for some departure from precedent (and there may not be), it's difficult to organize spontaneous movements among 1,200 people most of whom have just met one another. The difficulty is enhanced by everyone's awareness that the leader to be chosen won't be bound by the platform.

Perhaps more important than any of these points is the knowledge that, under Canadian practice, the next convention may be a generation away. American parties, willy-nilly, meet quadrennially. British parties have yearly conferences; and so formidably independent are these affairs that the government of the day is sometimes more afraid of the rods its own supporters have in pickle than of anything the opposition may have to say. The Canadian Liberals, by contrast, have held only four conventions in the 90 years since confederation.

Laurier called the first in 1893 to talk policy. The second was held after his death in 1919, the third at Mackenzie King's retirement in 1948, the fourth last week. If Mr. Pearson were 40 years old instead of 60, and if he could hold the leadership for 32 years as Laurier did, the next Liberal rally would be due in A.D. 1990 by which time today's grass will be in the sere, the yellow.

Perhaps, then, the grass did win a victory last week by pushing through a demand for conventions every fourth year. As already noted, these meetings can't issue orders but only give advice; but the advice, if more or less continuous at short intervals, is bound to be more influential than if it's offered only sporadically when whim, mortality or obsolescence brings it forth.

The catch is that the 1948 Liberal convention called for quadrennial sessions; but Mr. St. Laurent ignored the demand. It will therefore be advisable, as 1962 approaches, for Liberals across the land to make loud pre-convention noises by way of reminder to Mr. Pearson.

There was much talk last week, and in the weeks preceding, about the supposed Liberal rule that "the two great races" must alternate in the party leadership. Here are the results of a few hours' historical digging on that question.

The Early Leaders

First leaders of the party, beginning in the 1860's, were George Brown, Alexander Mackenzie and Edward Blake. Two of these were Scots by birth, the other Irish by extraction; all three were Protestant. There was evidently no question of "turn about" then.

Laurier became leader in 1887, succeeding Blake. He was chosen, by the caucus, because he was the best man in sight and not because he was a French-Canadian. In fact, his origin was seemingly regarded as a handicap.

Oscar D. Skelton, his hero-worshipping biographer, says that many Liberals asked if it was "expedient to set a French-speaking Roman Catholic at the head of a party whose chief strength had always lain in the English-speaking provinces" (that was true up to 1887), "particularly when the ashes of the Riel controversy were still hot." Louis Riel, French-Indian by birth, was hanged in 1885 for treason.

Skelton goes on to say that Laurier himself was averse to taking the leadership and "doubted, even more than his Ontario friends, the wisdom of choosing a man who was too good a Catholic to suit Ontario and not submissive enough to suit Quebec." A man's church affiliation, it seems, was more important politically in 1887 than it is today. Anyhow, it is quite certain that Laurier was not selected as a Quebecois.

He died in 1919 without having named a political heir. Mackenzie King won the leadership at the Liberal convention held in the same year; but Sir Alan Aylesworth, who moved his nomination, wrote in 1929 that it was "pure newspaper bunk that Laurier himself ever designated Mackenzie King as his successor."

In any case it is crystal clear from the record that the choice of King, by a narrow margin on the third ballot, was not due to his being an English-speaking Protestant. Perhaps it seemed wise to the party elders not to choose another French-Canadian after Laurier's long run; but the decisive points in King's favor were (a) that he had not been an anti-Laurier man in the 1917 argument about conscription and (b) that he made a brilliant convention speech.

Up to that point, then, "alternation" was fortuitous and not a conscious policy. The idea may never have crossed anybody's mind until Mackenzie King touched Louis St. Laurent on the shoulder ten years ago or earlier. To call King a myth-maker on this account is not to denigrate him. Myth-makers are great men. They gave Ulysses to the Greeks, George Washington's cherry-tree to the Americans, St. George and the Dragon to the English. We need more myths in Canada.

No Valid "Rule"

It just happens that this particular Canadian myth is invalid as history or as a sign-post. Certainly Lester Pearson was not chosen because it was English-speaking Canada's turn to supply a Liberal chief. Quebec will have no special claim to name Mr. Pearson's successor when the time comes, unless a French-Canadian is the best man available as happened in 1887 and again, fifty years later, in 1948.

A point about the final moments of the convention. The result of the leadership vote was evidently known by 8.30 on Thursday evening, if not earlier, but withheld until it could be given to the nation on a TV and radio program that began at 9 o'clock. There was complaint that, as "news is public property," this half-hour's secrecy was illegitimate.

It seems to me there was no ground for the objection. The Liberal party is a voluntary association of private citizens and fully entitled, if it chooses, to keep the name of its leader dark until the next election rolls round or even until kingdom come. Caesar dated his Gallic victories, or at least one of them, to swing an election. Czechoslovakia timed its independence in 1918, on the advice of a New York publicity man, to hit the Sunday newspapers.

It is an old and quite legal dodge to publish information when it will do the most good. The general rule is that nobody is obliged to tell all unless the law says so; as it says, for example, that a maker of tomato sauce must tell if he put benzoate of soda in it. But it is all to the good that Mr. Pearson's success finally leaked out.

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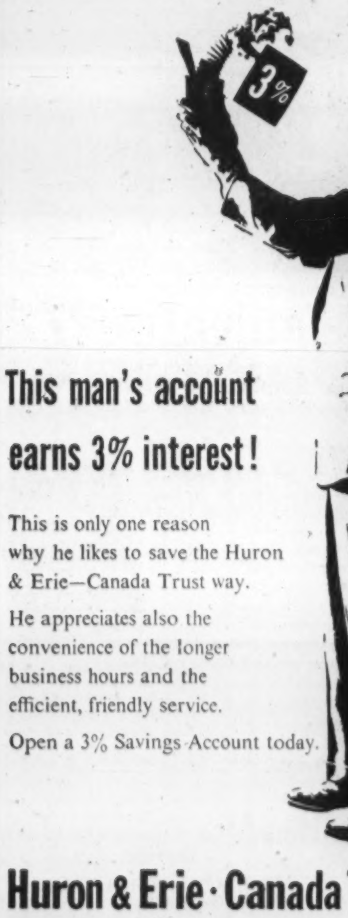

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Real Facts Emerging On Unemployment

(CONTINUED FROM P. 1)

the greatest drop in employment were forestry—more than one-third down from last year; agriculture — down less than 3%; construction and transportation, each down about 1%.

Public utilities, finance, insurance, etc., and the service industries were the buoyant providers of employment, continuing the pronounced trend of recent years.

Some experts here take this as the clearest available sign of the outlook. The present slackness was rooted in resource and export industries, especially forest products and minerals. Their pick-up must depend on events in U. S. and overseas.

The drop in export demand produced a check to the capital investment program, from which heavy industries suffered.

Some further decline is therefore expected but there is a strong opinion that this will be limited and not too steep.

If decline in these defined sectors of the economy started a real downward spiral, we would have real cause for anxiety, experts admit. But this would only happen if consumer spending dropped enough to affect the still-strong sectors, like services, utilities, food industries and suchlike.

Say the Experts

The consensus among experts here is that over-all personal income will be sustained enough to prevent this happening.

The majority of the unemployed are getting insurance benefits; pensions and welfare payments are up; investment income received by persons should be well maintained (with rents and government bonds making up for any decline in dividend income); farmers' cash income will be higher than last year.

Some industries like household appliances which were slack last year stand an excellent chance, it is said, of doing better this year. The housing prospects point in this direction, and this is one of the directions in which last year's high immigration will boost demand and create jobs.

Moreover, the present indications — though not yet firm — are that capital spending by all levels of governments and institutions, plus the larger housing program, will balance off the lower investment plans of industry. The total capital investment for 1958 may not be lower than that accomplished in 1957.

Life Stocks Jump 5%-38% In Generally Slow Market

(CONTINUED FROM P. 1)

Canadian life companies in Canadian hands. (FP Nov. 30).

Provisions allowing directors to prevent the transfer of shares to non-Canadians cut into U. S. investors' interest and resulted in some sales of U. S.-held stocks.

Part of the recent rise in life stocks can also be traced back to the price Manufacturers Life set on its own stock when it offered to buy its shares from stockholders (FP July 27).

At $275 per share this was considered an excellent indication of the real equity value which this company placed on its stock.

By a similar measuring rod, Confederation Life stocks, for example, might be worth about $175, investment men say.

Stock Recovered

Manufacturers' own stock has recovered from a mid-December low of $178-$187 to reach $208-$214. Company's stock had taken a sharp drop after it ran into difficulties in its mutualization attempt. (FP Dec. 14).

Main block had been an announcement by the trustees of the Gooderham estate, which holds 45% of the company's stock, that they could not accept the company's offer.

Counsel for the trustees had advised against applying to the courts for permission to sell the stock: Provisions in the Gooderham will did not allow sale of the shares until 1961.

Company is now planning to make a new offer to buy its own stock, still at $275 a share, on the understanding that the Gooderham trustees will go ahead with a new plan to apply to the Ontario Legislature for legislation authorizing them to sell to Manufacturers at $275 a share.

Manufacturers' existing offer expires Jan. 31, 1958 and with the Gooderham trustees unable to accept, the offer will likely be unsuccessful.

But if the Ontario Legislature passes a private bill allowing the trustees to sell, Manufacturers hopes the various approvals and sanctions to go ahead with its second offer will be obtained in time to permit the first purchase of shares before the end of this year.

	Recent Price $	% Change From End 1956	% Change From Dec. 31/57
Canada	134	—10.7	+11.7
Crown	98	—28.9	+6.5
Confederation	120	—7.3	+37.9
Great-West	197	—24.5	+12.6
Imperial	60	....	+22.4
London	140	—33.3	+4.8
Manufacturers	208	—10.3	+16.9
Monarch	280	—7.3	+5.7
National	275	—14.1	....
Sovereign	100	—5.7	+5.3
Sun	243	+10.5	+23.4

Bid prices used where closing prices not available.

Natural Gas Rate Not Yet Settled In Montreal Area

MONTREAL (Staff) — Montrealers should know what natural gas is going to cost them by mid-April.

Officials of **Quebec Natural Gas Corp.** are working on the new rate structure to be submitted to Quebec Electricity Board.

New rates will not come into effect until after the entire city has been switched over from manufactured to natural gas. Target date: May 29.

So far company has made no public estimates of the new cost. But it's likely to be lower than for manufactured gas.

ANNOUNCEMENT

OSLER, HAMMOND & NANTON LIMITED

GEORGE W. REED

DONALD J. McDONALD

Osler, Hammond & Nanton Limited announces the election of Mr. George W. Reed and Mr. Donald J. McDonald to the Board of Directors of the Company. Both have been associated with the Company for many years. Mr. Reed is Vice-President and Managing Director of Commonwealth Insurance Company and a Director of North West Adjustment Bureau Ltd. Mr. McDonald is a Director of Trans-Prairie Pipelines Ltd., Bulloch's Limited, W. G. McMahon Ltd., and Parker Drilling Co. of Canada Limited.

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Shortage of Room in Lab May Cost Us Science Lead

(CONTINUED FROM P. 1)

peratures of more than 100,000 deg. C.

With the new magneto-driven plasma wind tunnel they hope to start building soon velocities 400 times the speed of sound and temperatures of millions of degrees should be feasible.

Under such conditions, models in the wind tunnel, and perhaps one day manned aircraft, would fly suspended in magnetic fields, almost without friction as we know it on the skin of the craft.

There is more at stake, however, than a single research project.

The team, which works in a building loaned by the defense department on the edge of Downsview airfield, has more than 40 investigations under way.

Some of them, vital to western progress in the aeronautic field, have been left completely alone by the U. S. Air Force on the express understanding that the work will be continued by Dr. Patterson's team.

Several of them cannot be investigated elsewhere at the moment because the Downsview laboratory is the only one in the West where the conditions of earth satellite flight 800 miles up in the sky can be accurately simulated at ground level.

Others promise to yield information for civil defense and other purposes that has only been provided to date by nuclear explosions equivalent to many thousands of tons of TNT.

Cartoonist's Delight

In their attempts to make the best of the space they have, scientists at Downsview have even suspended a platform from the ceiling of one room in a manner that would delight the heart of the celebrated cartoonist, Heath Robinson.

There is a limit to everything, however.

"If we are not able to proceed as planned and start construction in the spring, all major projects will then have to come to a halt," I was told by Dr. Patterson.

It is no exaggeration to say that this would be a tragedy as far as Canada is concerned.

With her smaller resources, she already has to lean to a disproportionate extent on the U. S. and the U. K. in defense matters.

Yet projects like the Iroquois jet engine and the Arrow interceptor, the nuclear research reactors at Chalk River and the fact that her scientists were probably the first in North America to compute the orbit of Sputnik I, all demonstrate that the talent is there if resources are made available to back it up.

As far as the Institute of Aerophysics is concerned, plans have already been approved by University of Toronto for extensions that would double existing research space.

New Buildings

The new buildings would be next door to the Connaught Medical Laboratories between the Don River and Dufferin St., about four minutes from the present site, which would be retained.

Execution now depends on Defense Research Board being able to discover a formula that will permit it to contribute largely toward the cost.

Major problem here is that although DRB theoretically ranks equal to each of the three fighting services in the Canadian defense setup, in practice it has no executive power outside its own organization.

It is able to recommend projects but it has no power, as the services do, to carry them out.

Who Wants Driver?

Special Correspondence

WASHINGTON, D.C.—Cars of the future may be able to steer themselves and put on their own brakes.

That's the report presented at a Washington meeting of the Highway Research Board which studies electronic means to control highway vehicles automatically.

A couple of different proposals were heard at the meeting for electronic motoring.

One was to have photoelectric eyes for steering and radar tails to flag down or brake cars behind you.

The electronic eyes would be trained on colored stripes painted on expressways to take over control of the steering wheel.

The radar tails would provide a trailing beam of signals to either flash a dashboard warning light to the driver behind you, or automatically put on his brakes, should he be coming too close for safety.

Another similar proposal was made by Russian-born electronics expert Vladimir Kosman Zworykin, honorary vice-president of the **Radio Corp. of America.**

In his system, instead of having painted guidelines, there would be a series of electronic detector units buried at spaced intervals alongside the highway, and a guidance cable buried in the centre of the traffic lane for the length of the highway.

The detector units would pick up signals generated by passing cars. The signals would set off various systems of warning lights and eventually could be combined with simple receivers and automatic equipment in the vehicles to control speed and braking.

The centre guidance cable would radiate a constant signal which would be used in conjunction with a car receiver and automatic steering equipment to keep cars centred in the traffic lanes.

Cdn. Wallpaper Shares Active, Company Eyes Market in U.S.

Increased trading in Class A and B stock of **Canadian Wallpaper Manufacturers Ltd.** in recent sessions has carried share prices to their highest point in more than a decade.

Company recently launched a $1 million expansion and modernization program at its New Toronto plant, designed to make it the largest in North America (**FP**, Jan. 4). Expansion of two subsidiaries is also planned.

Company says it is planning establishment of a distributing organization in the U. S., and eventual acquisition of a U. S. wallpaper manufacturing company.

Class A shares, of which 25,673 are outstanding, traded early this week at $21, highest price since 1947.

Class B voting stock, of which 103,573 shares are outstanding, touched a high of $23¼ early in January, its post-1946 peak. Trading early this week was at $20.

Earnings per A and B share in the year ended April 30, 1957 were 47c compared with $1.74 the previous year. Business this year has been running ahead of last.

Controlling stock interest is held by **Wall Paper Manufacturers Ltd.** of England. President Ivan C. Sanderson of the Canadian firm is a director of the U. K. company.

B. C. Interior Gas Service Expanding

Nearly 90% of the homes in the B.C. interior which are using natural gas are using the fuel for heating.

Sales of natural gas-fired heating equipment in the 27 communities served by **Inland Natural Gas Co.** were estimated by appliance dealers at 4,000 units in the last three months of 1957.

During December, 983 meters were installed for new gas users and more than 200 new applications for gas service were received.

Inland began natural gas service to the interior in October. The company is now supplying the area from the Peace River district to the Kootenays.

An expected 900 customers a month will be connected to the Inland system and appliance sales are estimated to spurt to about 2,000 units a month, a company report states.

Beaver Club Buys Salada-S-H Wts.

The Beaver Club has bought 60 stock purchase warrants of **Salada-Shirriff-Horsey Ltd.**, the investment club's fund manager reports.

Of the 60, 45 were bought at $3.45 each Jan. 15 and the remaining 15 were bought at $3.50 Jan. 16.

Warrants give the holder the right to purchase Salada-Shirriff-Horsey common at $15½ per share until July 1, 1959, and at prices ranging up to $20½ a share until 1963. Comment on the transaction will be included in the fund manager's regular monthly report early in February.

Tomorrow's Travel: Electronic Frying And Saucer Flying

Startling innovations in the hotels of tomorrow will create new jobs and help keep our economy humming.

This was the theme of a penetrating look-see at the future, offered by President W. H. R. Jarvis of **John Labatt Ltd.** in an address to the Ontario Hotel Association.

These are some of the features which the hotel of the future will offer:

- **A drive-in entrance** for guests who arrive by car.
- **Elevators** to carry the car baggage and the customers upstairs.
- **All guest rooms** will be on the building's outer ring, the interior will be for parking purposes.
- **Guests arriving by helicopter** will find parking space on the roof.
- **In the kitchen** individual packages of pre-cooked meat and vegetables, preserved by radiation, will be heated in an electronic heater. Seconds later the food will move on conveyors to the waiter's pickup spot.
- **Present methods of patrol** and reporting for maximum security will be replaced by television cameras hidden in the decorations at the end of all corridors. Monitor screens for the cameras will be located in the hotel's central office.
- **By pressing a button** in the guest's bathroom you will be able to sanitize the room with an odorless and harmless gas.
- **Under the sink** there'll be an automatic washer and dryer.
- **Pneumatic pipes** will deliver foods, beverages, newspapers, etc.
- **Telephone calls** may be accompanied by a TV picture of the party at the other end—but will be subject to individual control, lest you have just emerged from the bath.

The whole travel field is closely linked to the success of the hotel industry.

What are other groups planning to meet the challenges of this rapidly changing world?

Here are some predictions for the railway industry:

- **Radar impulses** will transmit signals to locomotives, resulting in far safer travel.
- **Some trains** will eventually be hauled by atomic powered locomotives.
- **Inside you will find floating chairs**, hide away tables and adjustable partitions to create a semiprivate apartment for your own group.
- **Hidden conveyor belt** tubes will bring food and beverages.
- **Conveyor aisles** may help to get from one car to the next.

We sometimes think that the future is already here in the aircraft industry.

Not so says the industry.

Some of its developments for the future include:

- **A jet propelled freight plane** able to carry a 100 ton pay load at 600 mph.
- **Air liners carrying 200 passengers** will cross the Atlantic in three hours at 50,000 ft. altitude.
- **A plane for in-between** distances may turn out to be the first practical flying saucer and carry up to 100 persons.

ANNOUNCEMENT

OSLER, HAMMOND & NANTON LIMITED

EDWARD A. NANTON

D. A. B. MURRAY, F.C.A.

It is with regret that Osler, Hammond & Nanton Limited announces the resignation as a Director and Chairman of the Board of Mr. Edward A. Nanton. Mr. Nanton, a son of the late Sir Augustus Nanton, one of the founders, has been associated with the Company for the past thirty-four years. Greater emphasis on direct participation in exploration and development by The Calgary & Edmonton Corporation Limited, of which he is President, has made it necessary for Mr. Nanton to devote his full time and interest to the affairs of that company. He has moved recently to Calgary where the head office of The Calgary & Edmonton Corporation Limited now is located.

Mr. D. A. B. Murray, Vice-President and a Director of Osler, Hammond & Nanton Limited retired under the Company's retirement programme on December 31, 1957. Mr. Murray joined Osler, Hammond & Nanton Limited in September 1937. He was appointed Secretary in July 1940, elected a Director in February 1944 and appointed a Vice-President in August, 1952.

Messrs. Maurice Chartré, Lucien P. Bélair, Gérard Marceau, Raymond Fortier, Albert Garneau, Maurice Samson, E. H. Knight, Lionel Roussin, Percy Auger, Hensley Bourgouin, A. Emile Beauvais, Léon Côté, Dollard Huot, Jean Lacroix, Marcel Imbleau

announce that, from now on, their practice of their profession of chartered accountants will be carried on under the firm name of

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and

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January 1958

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6% Sinking Fund Debentures Series A

To be dated February 1, 1958 — To mature February 1, 1983

Principal and half-yearly interest (February 1 and August 1) and premium, if any, payable in lawful money of Canada at the holder's option at any branch in Canada of the Company's bankers. Coupon debentures in denominations of $500 and $1,000 registrable as to principal only and fully registered debentures in denominations of $1,000 and authorized multiples thereof. Redeemable at the option of the Company prior to maturity in whole at any time or in part from time to time upon not less than thirty days' notice otherwise than out of sinking fund moneys at the principal amount thereof plus a premium of 6% of such principal amount up to and including February 1, 1959, thereafter the premium decreasing one-quarter of one per cent (¼ of 1%) of such principal amount for each year commenced or elapsed up to and including February 1, 1982 and thereafter and prior to maturity at the principal amount thereof; and redeemable out of sinking fund moneys at the principal amount thereof plus one half of the premium otherwise applicable up to and including February 1, 1982 and thereafter and prior to maturity at the principal amount thereof; in each case with accrued and unpaid interest to the date specified for redemption; provided, however, that the Company shall not, as a part of any refunding or anticipated refunding operation, redeem the 6% Sinking Fund Debentures Series A in whole or in part prior to February 1, 1968 by the application, directly or indirectly, of funds obtained through borrowings having an effective interest rate of less than 6% per annum.

Sinking Fund

The Company will covenant to pay to the Trustee as a sinking fund for the 6% Sinking Fund Debentures Series A on February 2 in each of the years 1959 to 1982, inclusive, a sum sufficient to then retire $260,000 principal amount thereof. Such payments and the retirement of $260,000 principal amount thereof at maturity are calculated to provide for the retirement in full of the 6% Sinking Fund Debentures Series A.

Trustee: Montreal Trust Company

In the opinion of counsel these 6% Sinking Fund Debentures Series A will be investments in which the Canadian and British Insurance Companies Act states that companies registered under Part III thereof may invest their funds without resorting to the provisions of subsection (4) of section 63 of the said Act.

We, as principals, offer these 6% Sinking Fund Debentures Series A if, as and when issued by the Company and accepted by us, subject to prior sale or change in price and subject to the approval of all legal matters by our counsel, Messrs. Dixon, Senecal, Turnbull, Mitchell, Stairs, Culver & Kierans, Montreal, who are also counsel for the Company.

Price 100 and accrued interest.

We reserve the right to accept applications for these 6% Sinking Fund Debentures Series A in whole or in part or to reject any application and to withdraw this offer at any time without notice. It is expected that Debentures in interim form will be available for delivery on or about February 3, 1958.

A copy of the prospectus will be furnished promptly on request

W. C. Pitfield & Company Limited

Wood, Gundy & Company Limited — Nesbitt, Thomson and Company, Limited — Dominion Securities Corpn. Limited

McLeod, Young, Weir & Company Limited — René-T. Leclerc Incorporée — Midland Securities Corpn. Limited

Pemberton Securities Limited — The Western City Company Limited — James Richardson & Sons

ANNOUNCEMENT

THE LAURENTIAN LIFE

CLAUDE CASTONGUAY, A.S.A.

Actuary of The Laurentian Life Assurance Company of Quebec has just been appointed Assistant General Manager of The Provident Insurance Company of Montreal. He will take charge of his new post as from February 10th.

NEW LOCATION

Aerojet - General Corp. announces that its northeastern district office, covering the northeastern states and Eastern Canada, has been moved to 821 Franklin Ave., Garden City, N.Y. Company is a subsidiary of **General Tire & Rubber Co.,** Akron, Ohio.

CURTA The Personal Calculator

15 Digits Product
8 digits Quotient

For the Executive and Scientist

General Adding Machine Co.

36 Yonge St., Toronto EM. 8-9262

Like to be Civil Servant? 10 Seekers for Every Job

OTTAWA (Staff) — Having trouble finding good employees?

The ones you are looking for may have gone to the federal Civil Service.

The CS commission has just surveyed the 130,000 employees subject to provisions of the CS Act. They found:

- **Applications for employment** are about 10 times the number of jobs open — 200,000 to a little more than 20,000.
- **Staff turnover** is only about one-sixth that of separation rates in all Canadian industry, less than one-third that in finance, insurance and real estate, only a little more than one-half that in the U. S. Civil Service.
- **Just .3% of the total leaves each year** because it is "dissatisfied."

There is some confusion about what the term "civil servant" means.

There are about 460,000 persons on federal payrolls. Of these, about 120,000 are in the armed forces, 5,000 in the RCMP, 150,000 in government-owned businesses (**CNR, TCA, Polymer Corp., Canadian Arsenals,** etc.).

Of the 185,000 federal government employees proper, 40,000 are "prevailing rate" tradesmen, summer or casual help, and 15,000 are "classified" (i.e., salaried) employees hired and fired directly by National Research Council, Defence Research Board, Central Mortgage & Housing Corp. and National Film Board.

The Real CS

The remaining 130,000 are classified employees subject to the 1918 Civil Service Act now being studied for revision. They are the real "civil servants."

About 10,000 of them are university graduates. And, partly for this reason, the CS expects to find it fairly easy to hire just under 700 more this spring. (It could use 800 but won't settle for run-of-the-mill youngsters looking for a soft berth.)

Employment conditions which compare very favorably with those in private industry are a key attraction to jobseekers. They include:

- Pay scales at or just below industry levels.
- Three weeks vacation a year. (Accumulation is 1¼ working days per month after the first six months of employment.)
- Sick leave, which may be saved, also 15 working days per year.
- Other kinds of leave — furlough, retiring, educational, military, overtime, accident and special (usually compassionate), all with pay unless other payment is being received.
- Eleven statutory holidays.
- A five-day, 37½ hr. work week for office workers.
- Generous pension plan. Contribution during the first year is 4% to a Retirement Fund, then after one year 6% (matched by 6% from tax revenues, to a Superannuation Account. Retirement benefit is calculated on the 10 highest-salary years, continues in part to widows and children.
- Cheap insurance (10c a month per $250 of coverage).
- Retirement possible at 60, and usual at 65.

Help Explain

These working conditions and fringe benefits help explain the low staff turnover shown by this table compiled by the CS commissioner for its annual report:

SEPARATION RATES

	1956 %	1955 %	1954 %	1953 %	1952 %
Cdn. C. Serv.	14.9	13.3	13.8	16.1	14.0
All Cdn. ind.	*78	77	78	84	87
Finance insur., real estate	*33	42	39	46	43
U. S. C. Serv.	*21.3	22	27.9	26.4	27.3

*Estimate.

TURNOVER REASONS

	1956	1955	1954
Total separations	24,000	21,000	19,000
To other jobs (either better jobs or before the axe fell)	3,200	4,300	3,400
Dissatisfied	450	300	400
Fired	1,500	1,200	1,100

As the table shows, civil servants do get fired. The procedure, however, gives great job security.

When an employee is hired, he goes on a temporary trial period of six months. This period may be extended to a full year. (One of the revisions of the 1918 CS Act may be a lengthening of this trial period.)

During the year, he may be fired at any time on the formal decision of the deputy-minister of his department. His superior makes the recommendation.

After one year, firing may only take place by an order-in-council of the cabinet. This seldom happens.

Locals First

All jobs subject to provisions of the CS Act must be offered for competition to the public. Within practical limits Ottawa job openings are advertised nation-wide. District jobs are offered first to local residents.

Appointment up to and including assistant deputy-minister is by competition. Deputy-ministers are appointed by order-in-council.

Backbone of CS advertising is the poster. Ottawa job descriptions are normally posted in 300 Post Offices, 200 National Employment Service offices and 12 CS commission offices across the country.

When posters fail to turn up candidates, ads are placed in newspapers across the nation listing job openings and suggesting those interested write for details.

Specialists are ferreted out by selective advertising and direct mail.

Note

By Vincent Egan

Major Canadian corporate borrowers continue to come to the capital market, and this week again brought a heavy volume of new issues. Indications are that this activity will remain high throughout the next several weeks.

Biggest offering now in distribution is $40 million **Canadian Pacific Railway** 5% 25-year collateral trust bonds, priced at 98 to yield 5.14% by a large syndicate headed by **A. E. Ames & Co., Wood, Gundy & Co.** and **Dominion Securities.**

* * *

Offered at 98½ early this week, the $20 million **Consumers' Gas Co.** 5% 20-year first mortgage bonds quickly went to a premium of a point. Ames and Dominion Securities headed the large underwriting group.

* * *

Another syndicate, headed by **Greenshields & Co.** and Wood, Gundy, is offering this week a new issue of $6 million **Industrial Acceptance Corp.** 5½% 20-year debentures at 99½ to yield 5.54%. The debentures are non-callable for 10 years.

* * *

Expected soon is a $2.5 million offering of **Consumers Glass Co.** 5½% first mortgage bonds, due June 15, 1978, with a 10-year non-call clause. Of the proceeds, $2 million would be applied to expansion of the new (1955) plant at Etobicoke, near Toronto.

* * *

Financing is also expected to be undertaken soon, according to street reports, by **Grand Union-Carroll's Ltd.** (the U. S.-owned supermarket chain) and by **Union Gas Co.** A $20 million 5½% 20-year bond issue has just been sold on behalf of Union's subsidiary, **Ontario Natural Gas Storage & Pipelines Ltd.**

* * *

Quebec Hydro and **British Columbia Power** are turning to the U. S., to borrow $50 million and $20 million respectively. Predictions of a new **Ontario Hydro** issue are again being made.

* * *

Greater Vancouver Water District will call for tenders about Feb. 15 for $3.5 million 4½% 20-year bonds . . . Market in municipals is relatively quiet. A Brantford (Ont.) issue is also expected soon.

* * *

Toronto's City Council has voted to petition the federal government to exempt municipal bond interest from income tax. Municipal issues could then probably be sold on a 3% basis, rather than 5%, said the motion's sponsor. In the U. S., municipal bond interest is tax-exempt.

* * *

Commodities: Trade in flax is light, European buyers apparently expecting a drop in prices. Sales of barley have been hit in Winnipeg, due to lower offering prices in other markets and on other feed grains. Trade in oats is at a standstill, but some export demand for rye has been noted.

* * *

A home-study correspondence course in investing is again being offered by extension departments at the Universities of British Columbia, Alberta and Western Ontario, in co-operation with the Investment Dealers' Association. Fee is $12.

Canadian Auto Production

	Week Ending Jan. 18	Same Week 1957	Year To Date 1958	Year To Date 1957	% Change To Date
CARS					
General Motors:					
Oldsmobile	273	571	706	1,401	—50
Buick	350	532	930	1,510	—38
Pontiac	1,250	825	2,793	2,380	+17
Chevrolet	1,714	1,832	4,080	4,933	—17
	3,587	3,760	8,509	10,224	—17
Ford:					
Edsel	44	...	97	...	...
Mercury	143	237	340	592	—43
Meteor	442	696	1,216	1,914	—36
Ford	1,222	1,352	2,661	3,537	—25
	1,851	*2,541	4,314	*6,684	—35
Chrysler:					
DeSoto	31	...	149	...	...
Chrysler	94	97	139	322	—57
Plymouth	715	857	1,354	2,543	—47
Dodge	761	939	1,540	2,833	—46
	1,601	1,893	3,182	5,698	—44
Studebaker-Packard:					
Studebaker	...	199	112	199	—44
Total	7,039	8,393	16,117	22,799	—29
TRUCKS					
General Motors	596	612	1,332	1,927	—31
Ford	206	228	548	311	+76
Chrysler	120	185	261	371	—30
International	156	447	361	1,110	—67
Total	1,078	1,472	2,502	3,699	—32
Total vehicles	8,117	9,865	18,619	26,498	—30

*Includes Monarch.

Source: Canadian Automobile Chamber of Commerce.

Control Plan May Cover Last Open-Market Wheat

By LESLIE WILSON

Will Canada's only major group of wheat producers still be selling singly on the open market move under government control?

Betting is that they will and Canadian farmers are watching Ontario to see.

Ontario's 30,000 wheat producers who produce 5-7% of the Canadian crop are voting this week on a wheat marketing plan under the Ontario Farm Products Marketing Act.

Over 90% of Canadian wheat is marketed by the government-appointed Canadian Wheat Board established in 1935.

Until recently there has been no great producer pressure for controlled marketing of Ontario wheat. It's mostly soft winter wheat, absorbed entirely on the domestic market. In the last 10 years the crop has run between 15 and 26 million bu.

Present move stems from price swings—from about $1.15 bu. at harvest time to $1.45-$1.55 in the off-season. It's now in the latter range.

Results will be known late next week. A 51% "Yes" vote will bring about the setting up of an Ontario Wheat Producers' Marketing Board which will establish a minimum average price for Ontario wheat and would have the power to set up a system of cash advances for farmer-stored wheat and/or build wheat elevators.

N.B. Craftsmen Plan Trade Fair

Practically all the province's producing craftsmen are expected to display their wares at the New Brunswick Craftsmen's Trade Fair which will be held in Saint John, Feb. 12-14.

A major advantage of the fair is the opportunity for craftsmen to meet one another and discuss their problems. Chairmen of local communities will outline details of how they are handling their programs for the summer tourist season.

Principal guest speaker will be Hon. J. R. Pichette, minister of industry and development.

GW

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GWF

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1958 – This company enters its 150TH YEAR.

ONE HUNDRED AND FIFTY YEARS in the building of a national insurance business means many storms have been weathered — many problems solved — many provisions made to protect and insure the progress of the venture and those it insures.

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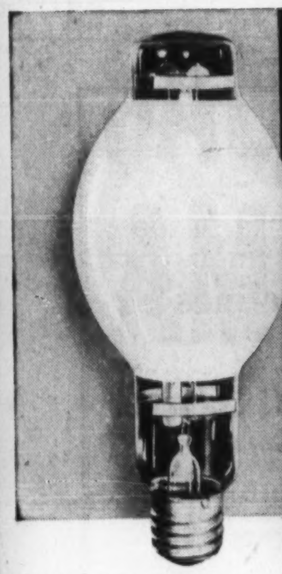
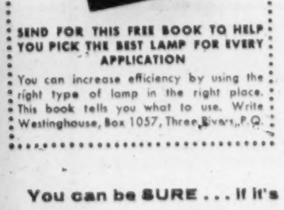


It's what you can't see in this lamp that means LOWER LIGHTING COSTS!

Westinghouse

MERCURY LAMPS ARE GUARANTEED FOR 90 DAYS AFTER INSTALLATION



SEND FOR THIS FREE BOOK TO HELP YOU PICK THE BEST LAMP FOR EVERY APPLICATION

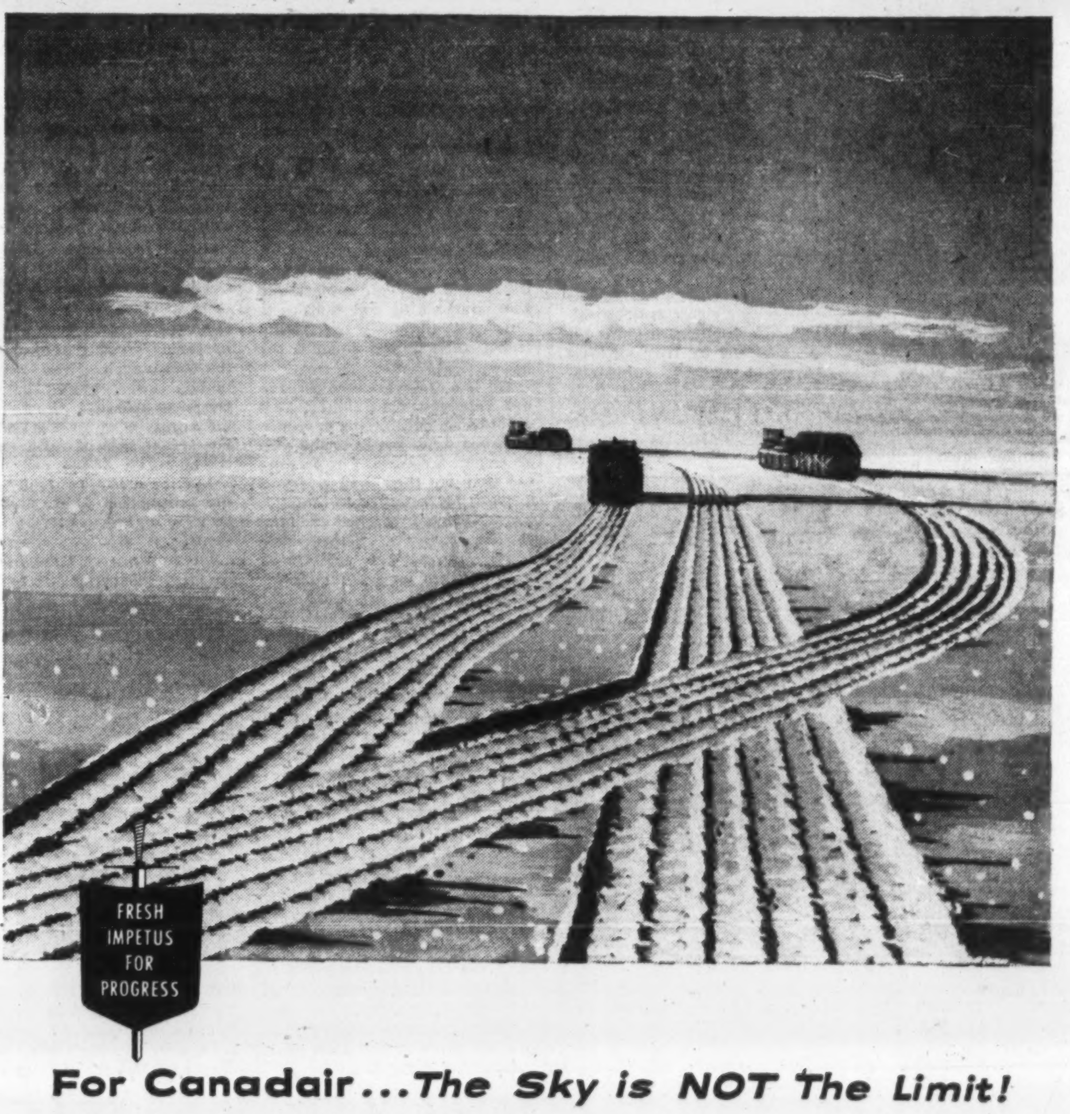
You can increase efficiency by using the right type of lamp in the right place. This book tells you what to use. Write Westinghouse, Box 1057, Three Rivers, P.Q.

The Westinghouse 90 day guarantee on its Mercury Lamps is just *one* of the intangibles that assure you better light and lower lighting costs. Westinghouse Mercury Lamps are designed to give more light for a longer life which means less maintenance, fewer replacements and greater plant efficiency. Coupled with the fact that Westinghouse makes more kinds and types of Mercury Lamps it is easy to see why there are more Westinghouse Mercury Lamps in use today than all other makes combined. Wouldn't it be good common sense to find out about Westinghouse before you buy another lamp?

You can be SURE . . . if it's Westinghouse

FOR FLUORESCENT AND EVERY TYPE OF INDUSTRIAL LAMP

CANADIAN WESTINGHOUSE CO. LTD.—LAMP DIVISION THREE RIVERS, P.Q.



For Canadair . . . The Sky is NOT The Limit!

What we have learned *in the air*—we apply *on the ground.* See these snowmobile-type vehicles: they are a solution to an unique problem of transport over trackless terrain through snow, muskeg, sand or water, and were Canadair-developed and manufactured for the Canadian Armed Forces.

And Canadair's research and development division is ready to undertake other special jobs in many fields, such as: research, development problems, custom designs, electronics, digital and analogue electronic computing, structural and mechanical testing: in all a service designed to offer fresh impetus for progress. We invite you to get in touch with us: contact our Vice-President/Engineering.

CL CANADAIR
LIMITED, MONTREAL

• Aircraft • Research and Development • Guided Missiles • Nuclear Engineering

Why Salesmen Miss Top Jobs

"Not enough facts and too many off-the-cuff ideas..."

Why don't more sales managers become head men in their companies?

The record of salesmen going to the top has been mighty poor, says E. B. Chown, director of marketing services, **J. D. Woods & Gordon Ltd.**

"Among our company's clients less than one out of six have a head man who came up through sales," he told the annual sales management conference of the Toronto Ad & Sales Club.

Here is his outline of the problem and what salesmen can do about it:

Time and again you will find that the new president or general manager was formerly vice-president of finance, vice-president manufacturing or secretary-treasurer.

There are a few vice-presidents sales who make the grade but sometimes it seems that even the lawyers are beating us.

However, the fact is that most companies prefer a general manager or president with a sales background.

They recognize the need of being sales conscious throughout to compete successfully in today's markets.

But all too often the right salesman cannot be found and they have to settle for some non-sales type.

The simple reason is that he lacks some of the essential qualifications for every chief executive.

Here are seven specific suggestions for bridging the gap between you and the president's chair:

- **Be an outstanding** sales manager.
- **Have more than a superficial** knowledge of the other sections of the business.
- **Become profit minded** and cost conscious.
- **Base decisions** on facts not opinions.

G. ALLAN BURTON

has been appointed vice-president and managing director, Simpsons Ltd.

- **Understand and accept** modern management methods.
- **Broaden** your base of knowledge.
- **Gain** recognition.

Even though the number of sales managers going to the top has been limited, the sales department offers more opportunities for the display of management talents than any other section of the business.

It is the department least tied down with established routines and practices.

Opportunities occur almost daily which require original thinking, exercise of judgment and the making of plans.

Top management is crying out for new ideas and plans backed up by solid thinking and hard facts; too often the sales manager is delivering off-the-cuff ideas.

The answer to the question of how a sales manager gains a working knowledge of other parts of the business is quite simple.

Show some interest and ask for instruction.

A good starting point is to read a few books on business subjects other than sales.

In this way you can get a basic hold on each subject and then start asking questions as to how your company carries out the theories talked about in the books.

Go to a conference on personnel relations, time study, cost accounting, purchasing or credit.

These steps won't make you an expert accountant or personnel man but they will give you a working knowledge—enough to make you a full-fledged member of the top management team.

If the tag you wear is "sales thinking only"—you will never become a member of the inner group that runs the show—and that's an essential first step on the way to the top.

Sales managers in general have quite a bad reputation for depending on the crystal ball, a sense of feel or Old Man Experience as a basis for making decisions.

To be a good sales manager, let alone president of the company, a man must possess sound judgment.

This is not some mysterious power granted to the few.

It's simply a matter of getting the facts, analyzing them and then checking the results.

Good judgment based on careful analysis represents the most important yet the most difficult step on the roadway from sales manager to president.

ANNOUNCEMENT

LOCKE, JOHNSON APPOINTMENT

S. GREN. WALKER

The Board of Directors of Locke, Johnson and Company Limited announce the appointment of S. Gren. Walker, M.Com., as a Vice-President of the company. Mr. Walker has been a Senior Account Executive of the Agency for two years, and was previously Advertising Manager of Canadian Pittsburgh Industries Limited.

Red Bugs Save Buds

WASHINGTON — Communist bugs are coming to the rescue of U. S. forests.

Six hundred thousand acres of timberland in the U. S. northwest are infested with the balsam woolly aphid.

This kills trees by attacking stems and buds.

U. S. foresters are retaliating by turning loose swarms of tiny aphid-eating flies imported from Communist Czechoslovakia.

A Londoner's Financial Notebook

News and views on the British securities markets, specially written for **FP** *by one of London's distinguished financial writers.*

Markets have stood up reasonably well to the shock of Peter Thorneycroft's resignation, although trading has remained quiet. The narrowing of Britain's visible trade gap, which at £19.1 million reached a new seven-year low in December, had a steadying influence on prices.

The new Chancellor, Heathcoat Amory, has taken over at a difficult time, but he has said that the change means no alteration in the Government's economic or financial policy. The tough financial measures of the last few months will be maintained for as long as necessary and public expenditure will continue to be sternly restricted.

Meanwhile the Government has successfully launched a £500 million issue of Exchequer bonds, repayable 1966 with interest at 5½%, at a price of £99 10s. per £100. The issue has been tailored to suit the banks, although much of it is believed to have been taken up by Government departments. Dealings opened around the issue price.

U. K. Stocks

(Supplied by Ronald D. Smith & Co., Toronto.)

Here are representative issues traded in Canada (quotations are in Canadian dollars):

	Recent Bid $	Ask $	Jan. 6 Bid $
Bowater Paper	3.65	3.80	3.50
British Aluminium	5⅛	6	5½
British Petroleum	12	12¾	12⅜
Courtaulds	2.80	3.10	2.75
Daily Mirror	1.10	1.30	1.10
Ford of England	4⅛	4⅜	4.30
Hawker Siddeley	3.60	3.90	4.00
Hudson's Bay Co.	19¾	20½	19¾
Imperial Chemical	5.00	5.20	5.10
Stewarts & Lloyds	2¾	3.00	2.80

Among industrials, **Vickers** hardened on the news that the company has won a £60 million order from **British Overseas Airways Corp.** for the supply of 35 new jet airliners. The first of these aircraft, to be known as the VC-10, is scheduled to fly in the summer of 1961, and a fleet will be delivered to BOAC in 1963.

In terms of profit, the break-even point for the VC-10 is expected to be around 70 to 80 aircraft, but a number of overseas airlines have already shown interest in the design. BOAC plans to use the planes on the North Atlantic run, and other routes.

* * *

Although the U. K. machine tool industry has been keeping up a high level of output, the backlog of orders has been steadily declining. At the end of October, it had reached its lowest level since 1955.

The decline in the order book reflects a cut in investment programs in manufacturing industry and is an indirect result of the credit squeeze. Machine tool makers are in no immediate danger, however, as even at the current rate of output, orders represent over nine months' production.

The flow of new orders to U. K. shipyards has also fallen off in recent months, although the shipbuilding industry still has about four years' work in hand. Tankers account for more than 50% of total orders, and here Britain is in keen competition with Japan.

With more than two million tons of tanker tonnage laid up throughout the world, the threat of cancellations is serious. It appears that Japan has so far suffered more from cancellations than the U. K. In a sense this has been an advantage to her as it has enabled her yards to shorten their delivery dates.

* * *

Imperial Chemical Industries, which has large Canadian interests, is to increase its investment in India. Chairman Sir Alexander Fleck said in Bombay that he saw there all the possibilities of a bigger and better dyestuffs industry.

The company already has a large stake in the private sector of the Indian chemical industry, and is engaged in putting up new chemical plants for three separate companies in partnership or association with Indian capital.

These, when completed in about a year or 15 months' time, will add £9 million to the total investment in the private sector. Further schemes now under discussion may raise this total to £12 million.

ICI is also planning a merger of part of its U. K. metals division with the business of the **Yorkshire Copper Works,** which will become a holding company, owning a half share in the new joint enterprise. Yorkshire Copper shareholders will vote on the proposals on Jan. 27.

The value of fixed assets to be transferred to the new company by ICI is shown at £6.7 million, and it will also provide net current assets of £4 million. Issued capital will be £1 million in £1 shares, split 50:50 between the two partners.

In the last five years the ICI metals division has been going through a major reconstruction in which the copper tube side has been moved to a new factory near Liverpool. This has affected the results, but earnings are now reported to be moving upwards.

* * *

Sir Leonard Lord, chairman of the **British Motor Corp.,** is making a world business tour during which he will visit Canada and the U. S. He will first spend five weeks in Australia, where BMC has spent £13 million on a plant to produce 1,000 vehicles a week.

Another British company with its eyes on Canada is **Broom & Wade,** makers of air compressors and pneumatic tools. A sales campaign in North America is being intensified, and factory space **in the U. K. is being increased** by nearly a third to assist expansion plans.

The company intends to develop output of a wide range of American-designed light pneumatic tools. Broom & Wade is already established in Canada through its subsidiary, **Canadian Broomwade,** based in Toronto.

Watch U. K. Auto Makers For All-Out Export Drive

Special Correspondence

LONDON — U. K. automobile makers, fresh from a booming sales year in 1957, are mounting an all-out export drive for 1958.

Target so far is set at 150,000 for the North American market alone — an increase of some 65,000.

Hard-headed business planning underlies the campaign.

Spokesmen for the major producers here stress that they expect to make good because of these reasons:

- **Vastly improved dealer organizations** in both Canada and the U. S. which have made spare part and service facilities available across the continent.
- **Growing demand** in the "economy" as well as "sports" car categories. The total used to be about 40% sports cars, last year it was cut to a healthier 20%.
- **Continuing good trade-in value.** In the U. S. particularly trade figures indicate that depreciation over the first two years is 25% or less.
- **New models.** Most of the makers have freshly styled and better equipped versions set for unveiling this spring. In the two shown so far, appeal to North American standards has clearly ranked high.
- **U. S. manufacturer interest.** GM, Ford, and American Motors already have sales agreements with subsidiaries or foreign makers, others are expected to follow suit in the next year.

Factor: Lower European wage costs make domestic U. S. competition unlikely.

Only cloud currently seen on the export horizon is sales loss from recession retrenchment.

Since close to 60% of U. K. and other foreign makes are sold as second family cars, they will be the first to go in any major setback.

Also, for U. K. makers, competition is getting keener from French, Japanese and other makers moving in to the North American picture.

HALIFAX TRAFFIC

From Our Own Correspondent

HALIFAX — Traffic on the Angus L. Macdonald Bridge between Halifax and Dartmouth increased to about three million vehicles last year, according to statistics prepared by the local bridge commission. In 1956, the number of vehicles using the bridge totaled 2.77 million.

OWNERSHIP CHANGED

Iron Fireman Manufacturing Co., Toronto, announces that it has acquired the Timken Silent Automatic Division of **Scaife Co.,** Toronto, effective Jan. 1, 1958.

7.00 p.m.—and Toronto instrument-maker Jerry Skala has finished painting the last wall in the kitchen . . . cheered on by his wife Rose, and CFRB's good music, of course!

Meet the Skalas of Etobicoke

(they'd make grand friends : : . or customers)

Not even Jerry Skala knows the total amount he has spent for do-it-yourself supplies. What *is* known is that the 1,194,800 families* in CFRB's listening area spend more than $4½ billion* annually for *all* retail goods. It's Canada's richest market.

Only CFRB combines these essentials: listening audience, price, ratings, experience, and programming capable of effective selling. The advantages CFRB offers advertisers are unique.

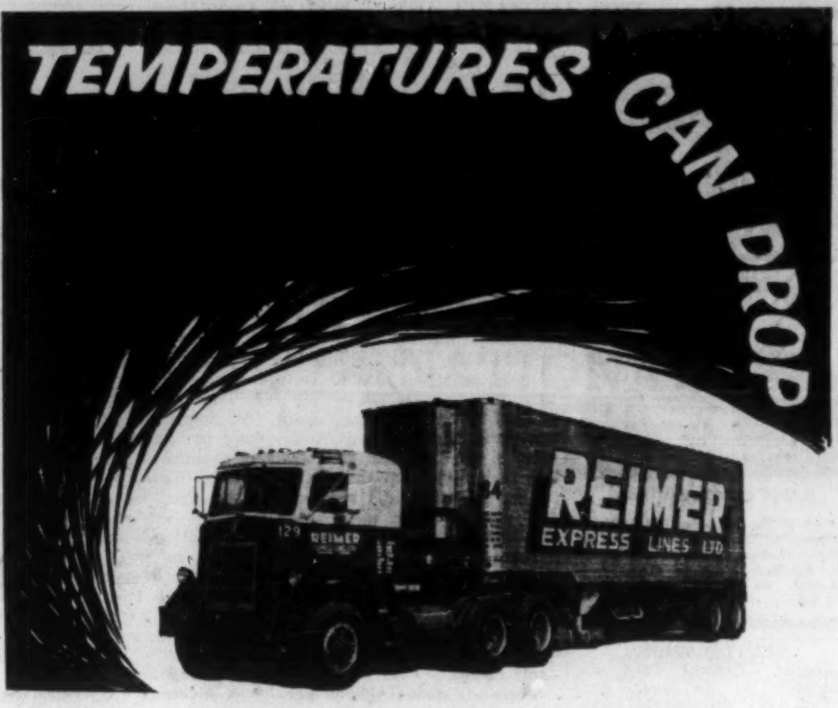
Ask a CFRB representative today to explain how *you* can get the most sales . . . in Canada's richest market . . . at the lowest cost.

**compiled from Sales Management's Survey of Buying Power, Canadian Edition, May, 1957.*

CFRB TORONTO 1010 ON YOUR DIAL 50,000 WATTS

ONTARIO'S FAMILY STATION

REPRESENTATIVES:
Canada: All-Canada Radio Facilities Limited
United States: Young Canadian Ltd.



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These bonds having been sold, this advertisement appears as a matter of record only.

New Issue

$20,000,000

Ontario Natural Gas Storage and Pipelines Limited

5¾% First Mortgage Sinking Fund Bonds

To be dated January 15, 1958 — To mature January 15, 1978

Ontario Natural Gas Storage and Pipelines Limited, a wholly-owned subsidiary of Union Gas Company of Canada, Limited, is engaged in the purchase, storage, transmission and sale of gas on a wholesale basis to distributors for re-sale to customers in southwestern Ontario, all as more fully set out in the prospectus.

Trustee: The Canada Permanent Trust Company

In the opinion of Counsel, the bonds of this issue will be investments in which the Canadian and British Insurance Companies Act states that companies registered under Part III thereof may, without availing themselves for that purpose of the provisions of sub-section (4) of Section 63 of the said Act, invest their funds.

We, as principals, offer these bonds if, as and when issued by Ontario Natural Gas Storage and Pipelines Limited and accepted by us, subject to the approval of all legal matters by Messrs. Blake, Cassels & Graydon on behalf of the Company and by Messrs. Arnoldi, Parry, Campbell, Pyle, Godfrey & Lewtas on our behalf. Said counsel will rely as to matters of title on the opinion of Messrs. McNevin, Gee & O'Connor.

Price: 100 and accrued interest

It is expected that definitive bonds will be available for delivery in Toronto, Montreal and Winnipeg on or about January 31, 1958. The right is reserved to reject any or all applications and also in any case to allot a smaller amount than is applied for.

A prospectus will be furnished promptly upon request.

A. E. Ames & Co. Limited

Dominion Securities Corpn. Limited — Wood, Gundy & Company Limited

McLeod, Young, Weir & Company Limited

Midland Securities Corpn. Limited — James Richardson & Sons

ANNOUNCEMENT

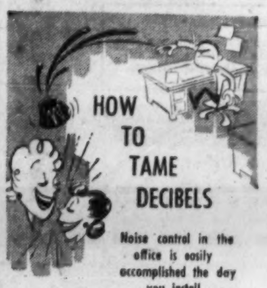
JWT APPOINTMENT

ROBERT WALLACE

J. Walter Thompson Company Limited (Toronto) announces the appointment of Robert Wallace as Account Representative specializing in engineering products. Educated in Scotland and England, where he studied advertising and engineering, Mr. Wallace undertook advanced studies with Rolls Royce Limited, England. Resident in Canada since 1950, he brings to the company twelve years of sales, engineering and advertising experience, and was lately associated with the Rank Organization of Canada Limited.

CANADIAN DEALER

D. M. Duncan Machinery Co., Windsor, has been appointed **Colonial-Romulus Division** representative in Canada.



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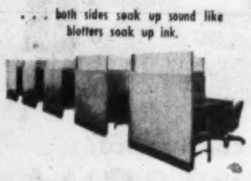

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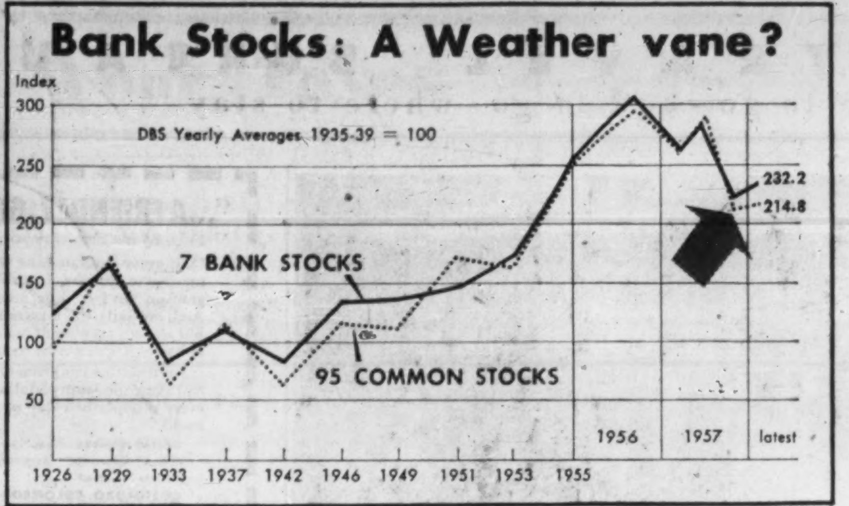

This Group Pointing To Market Recovery

By VINCENT EGAN

What's ahead for common stock prices during the next few months?

There's doubt aplenty among the professionals of the stock market. But one Canadian analyst's theory, which has proved itself at a number of turning points in the past, appears to be indicating a rise in stock values.

The bank index theory, developed by market analyst H. E. Boulter of **Draper, Dobie & Co.**, Toronto, is based on the trend of prices of the shares of chartered banks, compared with the trend of common stocks as a whole.

Boulter's theory says that when the Dominion Bureau of Statistics' investors' price index of 95 stocks rises above the DBS index of seven bank stocks, then the whole market is vulnerable.

But when the bank stocks' prices are in a rising trend, the theory holds, then the whole market is in a buying range.

Significance of this theory in today's market is that while both indexes hit bottom Oct. 17, the bank stocks have risen twice as much as common stocks since then — 4.4% vs. 2.2%.

Precede the Market

Historically, there is reason to believe that the bank stocks almost always precede the general market, in moving either up or down.

If the present relationship of banks to commons continues a little longer, it could mean that stock prices are in an uptrend.

Why are bank shares the first to move up and reflect a better business picture? Here's Boulter's explanation:

"The seven banks making up the index are mostly nation-wide in their branch banking systems.

"This extensive branch banking system means each bank is in close contact with all phases of Canadian economic activity which has a direct influence on the status of bank shares as investments.

"Banks become the pulse of the monetary and business condition of the nation."

He adds:

"Obviously the index for the banks, consisting of only seven different stocks, is much more sensitive to changes in investment opinion than the heavier 95 stock index."

The banks' stocks began their long rise in 1952, and continued —even throughout 1953 — until the first week in August, 1956. In the rallies that followed, when the 95 stocks approached their 1956 highs again in June, 1957, the banks stayed well below their 1956 peak. Their failure to respond confirmed the ensuing downtrend.

Unknown Quantities

Investors in Canadian bank stocks are, to some extent, dealing in unknown quantities.

Published balance sheets of the banks do not show their accumulated pre-tax and tax-paid "inner" reserves, and earnings statements show profits only after the unstated provisions for these reserves have been deducted.

Despite the lack of some important information, stocks of chartered banks have long been favorites of conservative investors.

While yields are not high, dividends have been paid unfailingly for decades—for more than a century in some cases.

The accompanying table compares assets, earnings and yields of Canadian chartered banks and their stocks.

Banks' Market Record

	Total Assets Oct. 31/57 ($ Mill.)	Earnings per sh., 1957 $	Annual Dividend incl. extras $	Market Price — 1957 Range — High $	Low $	Recent $	Indicated Yield %
Royal Bank of Canada	3,651	2.76	2.10	77	55	57½	3.65
Bank of Montreal	2,866	1.80*	1.60	54¾	37	41⅛	3.89
Canadian Bank of Commerce	2,582	1.90	1.60	56	35½	40¾	3.93
Toronto-Dominion Bank	1,383	2.04	1.60	49	34¾	38⅜	4.17
Bank of Nova Scotia	1,355	2.64	2.10	60	46½	52	4.04
Imperial Bank	842	2.49	1.70	60	42⅝	44¼	3.84
Banque Canadienne Nationale	644	2.97	1.50	42½	34½	38	3.95

*Based on paid-up equivalent.

Newsprint Demand Steady Few Big Declines Expected

MONTREAL (Staff) — Although 1958 is sure to be a year of cost-price squeeze, Canada's giant newsprint industry is finding some reasons for shunning the wailing wall:

- Despite definite softening in demand in 1957, production hit just under 6.4 million tons, only 1.1% below record 1956.
- The U. S.—taking about 80% of Canadian output—saw a decline in consumption last year of 0.5% and in December of 1%. Considering the number of U. S. newspaper strikes, this rates a pretty good showing.
- North American manufacturers' stocks fell to 151,785 tons at the end of the year from 184,262 on the last day of November. However, this is still well above 110,263 tons at the end of 1956.

These facts seem to indicate steady demand through 1958—little danger of big declines.

No Change

This, of course, doesn't change the over-all situation of heavy supply.

Canadian rated newsprint capacity in 1958 is set by Newsprint Association of Canada at 7,238,516 tons, 482,445 more than in 1957.

Production this year is likely to be between six million and 6.5 million tons.

Canada is filling a somewhat smaller percentage of U. S. demand. (Though total U. S. demand was down just 0.5% last year, Canadian exports to that country slipped 3.5%. Partly balancing this decline was an increase of 14.9% to overseas market.)

A major factor now and in latter 1957: The stubborn strike in the B. C. pulp and paper industry. The union wants more than a 7½% wage hike, despite management worries about rising costs.

Still another factor being considered in the supply-demand picture is the effort by publishers to economize on newsprint.

New techniques and facilities for handling and storage of newsprint are getting a lot of investigation, as daily newspapers fight to keep costs down. Considerable saving has been reported in this respect, says Newsprint Information Committee of New York.

	DECEMBER 1957	1956	% Change	YEAR TO DATE 1957	1956	% Change
Canadian Production	434,882	514,228	—15.4	6,396,114	6,468,815	—1.1
% of capacity	80.8	104.7		94.7	103.6	
Canadian Shipments:						
To U. S.	361,519	445,545	—18.9	5,048,863	5,229,748	—3.5
To Canada	40,403	40,350	+.1	462,207	477,130	—3.1
To other	69,064	66,456	+3.9	852,664	741,944	+14.9
Total	470,986	552,351	—14.7	6,363,734	6,448,822	—1.3
U. S. Production	138,684	139,154	—.3	1,825,987	1,717,243	+6.3
U. S. Shipments:						
To U. S.	128,112	124,387	+3.0	1,698,477	1,582,742	+7.3
To other	6,945	13,334	—47.9	118,278	132,628	—10.8
Total	135,057	137,721	—1.9	1,816,755	1,715,370	+5.9
U. S. imports from Europe (est.)	6,900	19,923	—65.4	153,005	311,453	—50.9

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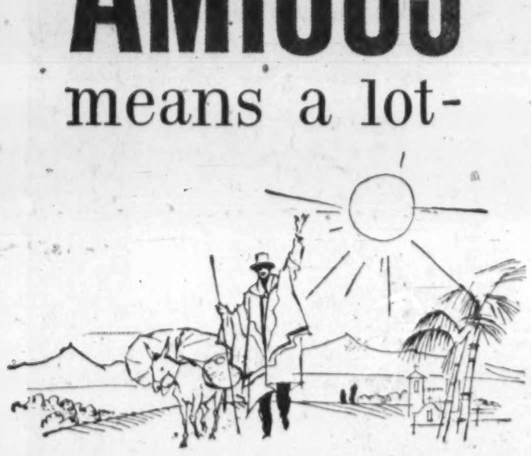

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Canada-U.K. Trade Mission Sets Its Recommendations

OTTAWA (Staff) — Canada's Trade Mission to the U. K. has recommended formal steps to keep the Canada-U. K. trade ball rolling.

Mission members met here this week to wrap up their government-sponsored three-week tour.

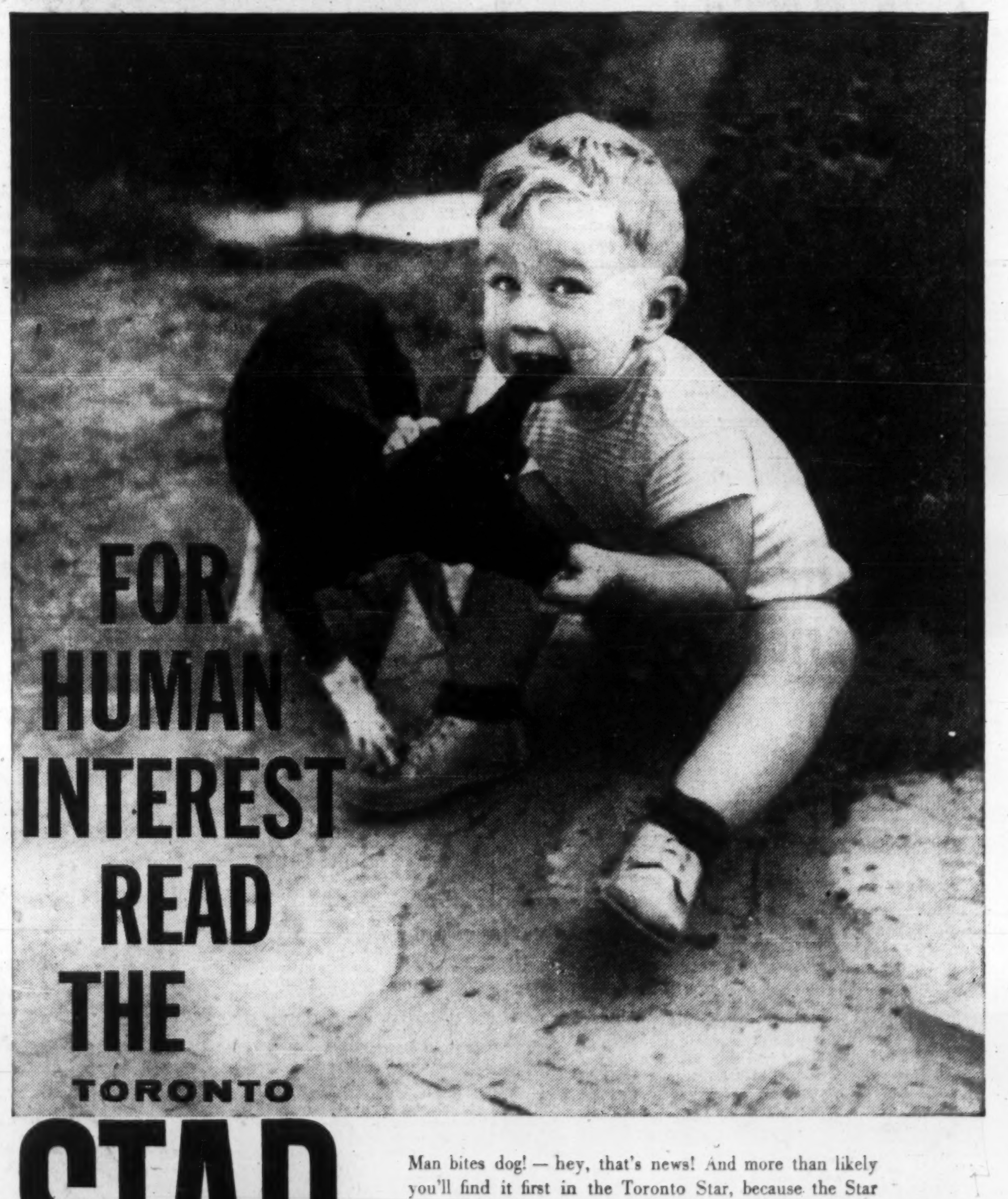
To ensure the welcome mat will be out for U. K. business and products, they:

- **Recommended that the nine-year-old dollar-sterling** trade council (which has been pushing gently to promote Canada-U. K. trade) be strengthened, merged into a new organization to be called the Canada-U. K. trade council.
- **Suggested James S. Duncan**, chairman of Ontario Hydro and head of the former group, be trade council chairman for at least one year.
- **Urged a permanent secretary** be appointed. His duties: Work with the council's regional committees to be set up coast-to-coast to assist U. K. businessmen to meet Canadian businessmen needing a look at their products.
- **Noted an offer by the Conservative** government to pay for a permanent office for the council—probably in Ottawa—and the secretary.
- **Rapped "too frequent" moves** of U. K. trade commissioners from post to post on the ground such moves hinder effective service to their countrymen.
- **Agreed to have a report on** their U. K. trip ready for the government in about three weeks.
- **Discussed privately** how U. K. businessmen could improve their chances of selling in this country. The suggestions—given to the British last month during hundreds of personal contacts:

1. Sell in person, not by prospectuses and, especially, not by form letters.
2. Don't be modest about your British product—in many lines (e.g. heavy electrical equipment and machinery) it is better and cheaper than those of competitors.
3. Pattern sales approaches to suit the North American way of selling.
4. Be sure to offer—and make good on—service and maintenance.

A continuing committee was set up to plan details of organization of the proposed trade council.

Its chairman is David M. Woods, president of **Gordon Mackay Ltd.** Members: Leonard Brockington of Toronto; Ian F. McRae, vice-president and general manager of civilian atomic power department, **Canadian General Electric Co.**; Andre Piche, vice-president and general manager of **Reynolds Aluminum Co.** of Canada; Frederick G. Rutley, president of **Foundation Co. of Canada**; and Peter Stursberg (to be secretary) of the department of trade and commerce.



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C-38

POST TRAVEL BUREAU

Where to go — how to go — where to stay

Canadian Students 'Discover' Europe On Tour by Bicycle

By BEATRICE RIDDELL

Hundreds of Canadian high school and university students are looking forward to the "most exciting experience of their lives" this summer.

Once the ordeal of examinations are over, they will forget their classroom problems and take off for a carefree month or two in Europe.

Some will go with parents or friends. But many will join student tours operating from every part of Canada.

And while this is a "lark" for the youngsters, many parents now consider travel as important to their children's education as the textbook knowledge they learn at school.

They absorb history, geography, languages the practical way — and pick up a considerable amount of independence and self-confidence at the same time.

This is the opinion of a Toronto parent and businessman, Norman Brunt, president of **Brunt Manufacturing Co.**, who will make it possible for a Toronto high school student to join a specially chosen tour this summer.

Mr. Brunt's generous gift, to be in the form of a prize, awarded annually for five years, will cover the complete cost of the tour. The lucky recipient (girl or boy) will be selected each year for qualities of leadership and academic standing by a special committee of the Toronto Board of Education.

The tour chosen by Mr. Brunt is an unusual one — offering the mixed group of about 50 boys and girls considerable freedom to discover Europe on their own. Although expertly supervised, the youthful tourists (most of them between the ages of 17 and 22) are subjected to a minimum of "mass organization."

Not Luxurious

Far from being a luxury tour, it offers excellent opportunity to see "off-the-beaten-track" areas and meet the people of countries visited.

For three of the six weeks in Europe, travel is by bicycle — through southern Germany (especially the Black Forest) and Switzerland. And here the students are encouraged to travel each day in small groups — although never alone.

Every morning cyclists are given money and routings for the day. They may stop where they wish for lunch and dinner, or buy food for a picnic.

A van with luggage goes in advance to the day's destination, where accommodation is provided at two hotels — one for girls, the other for boys.

One of the tour leaders sets off after the last cyclist has left to catch any stragglers, or take care of difficulties with bikes. Main highways and Sunday cycling are avoided as much as possible.

In other continental countries visited (this year they will be France, Italy and Belgium) travel is by train or bus. But in large cities, the students browse in twos or threes — with expert advice on what to see and where to go.

The last week of the tour is spent in the U. K. Here, after consultation with directors of the trip, the youngsters are free to plan their own itineraries and travel about the country with their friends.

Family Visit

For those who wish to brush up on a foreign language, a three week's stay with a family in Europe is arranged in lieu of the cycling part of the tour.

Operated and conducted by R. C. Gibb and J. S. Macfarlane — both masters at St. Andrew's College, Aurora, Ont., this tour is now in its eighth year.

It has been selected by Mr. Brunt for its realistic view of Europe. "I feel that it provides the greatest possible educational value for the traveler," he said.

The tour's merits will be reviewed by Mr. Brunt each year the prize is offered. If it fails to satisfy him, the prizewinner will join another group.

Although still young men, the two tour leaders have spent a combined total of about 35 years in Europe. One is a linguist (French master at St. Andrews), the other a geographer. They are well qualified to introduce Europe to the young.

An assistant, Miss Laurene Watson, Junior School teacher at Havergal College, Toronto, has been with the tour for the past four years.

Other directors are G. Morris of Bishop Ridley College, St. Catharines, Ont., and P. R. Bishop of Trinity College School, Port Hope, Ont.

Despite the private school affiliations of the directors of this tour, it is not designed especially for private school students. Nor does it attract young travelers solely from Ontario.

High school, private school and university students come from every Canadian province and from many centres in the U. S.

This year's tour sails from Montreal aboard RMS Ivernia, July 4 and returns via RMS Saxonia, Sept. 3.

Total cost for 62 days (including travel and accommodation expenses in U. K.) is $1,250 plus tips on board ship.

TRAVELING THROUGH EUROPE on bicycle offers an excellent opportunity to see "off the beaten track" areas. This group of Canadian high school and university students, headed by R. C. Gibb (centre) visit the picturesque Swiss village of Hospenthal at the north end of the famed St. Gotthard Pass.

Tourist Bureau Changes Offices

The Canadian Tourist Association with headquarters in Toronto, has moved to new and larger offices in the King Edward Sheraton Hotel.

The only non-profit organization in Canada which serves the travel industry, increased activity during the past year has necessitated a 50% increase in staff. The annual budget has been raised from $41,000 to $58,000.

Travel Briefs

With Canadians visiting the U. S. in ever increasing numbers, the **Hotel Corp. of America** is making a strong bid to attract more Canadian visitors. Toronto is the target of the attack this week. Top executives and representatives of hotels in five U. S. cities, as well as band leader Guy Lombardo of the Hotel Roosevelt, New York, are here to encourage more Canadian businessmen to stay at HCA hotels when south of the border.

* * *

New Bermuda package tour called "Bermuda on Parade" is a seven-day, six-night, all-expense tour offering a choice of accommodation. Cost, depending on hotel, is as follows: **The Bermudiana** — $88; **Castle Harbour** — $120; **Harmony Hall** — $79; **St. George's** — $73.

* * *

Four special tours for coming spring and summer are announced by **KLM (Royal Dutch Airlines). Lourdes Opening Pilgrimage Tour:** from New York Feb. 2 for opening ceremonies Feb. 11. **Volkswagen Ski Caravan Tour:** from New York March 14 under direction of ski instructor Hans Palmer for famous Alpine resorts. All inclusive cost: $790 (U. S.). **House and Garden Tour:** from New York April 26 for visits to gardens and stately homes of Holland (at tulip time), Belgium, France, England, Ireland. Cost: $1,245 (U. S.). **Gourmet Tour:** from New York May 5 for leading tourist attractions in U. K., France, Italy, Holland, Belgium, West Germany, Switzerland and featuring many famous European restaurants. Cost: $1,418.40 (U. S.).

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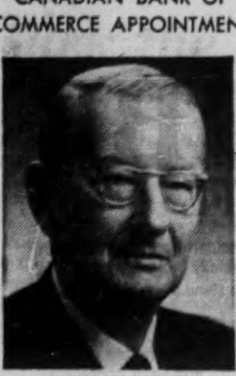

C. K. HIGHMOOR

who has been appointed an Assistant General Manager of The Canadian Bank of Commerce at Head Office. Mr. Highmoor has been Manager of the Bank's International Branch, Toronto.

See Page 2

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Your Taxes

An exclusive FP column of comment on the trends in personal and business taxation.

—By *JOHN G. McDONALD, LL.M.*

The Old Homestead May Be Subdivided

In the recent case of the brothers **Levasseur v. Minister of National Revenue,** Mr. Boisvert of the Income Tax Appeal Board held that the systematic sale of building lots from a family farm does not amount to a taxable business.

The Levasseur family had occupied their farm since the last century. Between 1943 and 1950 the land was subdivided into 300 lots and during the 1949-1954 period substantial profits were received from lot sales.

In allowing the appeal from tax assessments on the profits, Mr. Boisvert pointed out that none of the taxpayers had ever traded in land or engaged in the "real estate business." They purchased no land for sale and never advertised the fact that their inherited property was on the market.

Two of the brothers had engaged in the business of speculative builders by constructing thirty houses on the farm property for sale. They had reported their building profits as income, however, and the issue before the Board was confined to the question of taxability of profit attributable to the land itself.

Counsel for the Minister of National Revenue argued that the volume of separate transactions spread over a period of years was indicative of a taxable **business** venture. Mr. Boisvert held that the text and context of the Income Tax Act "do not permit such an interpretation."

Lease Canceling Payment Capital

Last year in the case of **Dyment Ltd.,** the Board held that an amount paid by a landlord to his tenant to obtain surrender of the tenant's lease was not deductible in computing income for tax purposes.

We now have an example of the reverse situation in which the tenant pays the landlord for the privilege of abandoning his lease.

In **Farb Investments Ltd. v. Minister of National Revenue,** the taxpayer's tenant had been pressed by **Imperial Oil Ltd.** to take on a dealership for Esso products with a station on the leased premises.

Completion of the transaction by which the tenant became an Esso dealer involved cancellation of the tenant's lease and the payment of $17,000 by Imperial Oil Ltd. to the landlord—presumably on behalf of the tenant.

The Board held that the payment was a capital—and therefore non-taxable — receipt to the landlord.

The legal rule in these cases is that a premium paid for the granting, assignment or cancellation of a lease is a non-deductible capital outlay to the payor and a non-taxable receipt to the payee —unless one or other of the parties is in the business of dealing in leasehold interests.

Surplus 'Bail-Out' Costs You Money

A "capital gain bail-out" is a transaction in which the controlling shareholder of a private company with a large earned surplus arranges to "bail-out" the surplus without paying income tax.

It is now illegal.

Before Parliament stepped in to close the loophole in 1950, a "bail-out" could be arranged through the sale of shares to a new private company in exchange for a short-term note.

Because inter - company dividends are not taxed, the new company would put itself in funds to pay off the note to the vendor-shareholder by voting down a dividend from the original "surplus" company.

The law now blocks such a transaction by taxing — at full rates (49% in Ontario)— the inter-company dividend.

The recent case of **No. 488 v. Minister of National Revenue** is the first reported decision in which a bail-out has reached the judicial light of day.

Because the point in issue in the appeal was, in the Board's words, "a subtle one," we do not propose to confuse this comment with details.

We need only point out that the Board upheld taxation of the "bail-out" dividend and reminded all taxpayers that the Income Tax Act was amended in 1954 to define clearly the circumstances under which a corporation is legally treated as a "controlled" corporation.

The question whether a company is "controlled" or not was dealt with by a highly technical amendment of the Income Tax Act in 1954. Its importance is such that no private businessman operating through a closely-held company can afford to ignore its provisions.

There are perfectly legal ways through which the earned surplus of private companies can be taken down at a **reduced** rate of income tax.

But doing it "tax-free" is legally impossible unless the business is sold out to a stranger.

This advertisement is for informational purposes only and is not to be construed as a public offering in the Province of Ontario.

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The several underwriters may offer shares at prices not less than the Subscription Price set forth above (less, in the case of sales to dealers, the concession allowed to dealers) and not more than either the last sale or current offering price on the New York Stock Exchange, whichever is greater, plus an amount equal to the applicable New York Stock Exchange commission.

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January 20, 1958.

Nassau-Booked Tourists Waiting for End of Strike

By BEATRICE RIDDELL

Nassau-booked tourists are in a quandry.

Will the strike that has paralyzed this famous resort and closed the leading hotels be settled soon, or will it continue into the peak tourist months of February and March?

Hotel executives and travel officials here are optimistic that the tourists will be back early next month. Some hotel workers are reported asking to go back to their jobs.

For the days and weeks immediately ahead, the majority of would-be visitors are still hoping to holiday in Nassau.

About 35% of those holding reservations have postponed their holidays; 30% are waiting to the last moment to see what happens — keeping in daily touch with travel agents and transportation companies — and 35% are making other plans.

Some transportation has been suspended. **Pan American World Airways** are cancelling their flights from New York on a daily basis. **BOAC's** first class services are operating on a day to day basis. Its tourist flights, like those of **TCA's** Canadian services, continue on to Jamaica and are operating as usual.

Incres - Nassau Line, whose regular sailings take passengers to Nassau and Havana are bypassing Nassau for the moment.

By the middle of last week, most of the early January visitors had been evacuated — a few, staying at guest houses which did not close, remained.

Went Elsewhere

Some of the refugees went to the Bahamas Outer Islands (islands other than New Providence — site of Nassau). A large number went to Bermuda or Florida — about the same distance from home as Nassau, and therefore within their original holiday budgets. Others continued south to the Caribbean.

What will the strike mean to the tourist industry? It has already dashed hopes for a record year. In 1957, approximately 192,480 visitors basked in Nassau sun. It was hoped that the figure would top 200,000 this year. Normally, visitors arrive at the rate of about 600 per day.

And since tourism is the colony's largest dollar earner, this is the most serious economic result of the present strife.

But even this dark cloud has some silver lining. The Outer Islands, which are not affected by the Nassau strike, are doing a roaring business.

In the past few years many visitors have been spreading out from Nassau, to spend at least part of their holidays at the excellent new resorts here.

But the present situation will probably give this growing business a further boost. Inter-island air services are operating as usual.

And Nassau's own luxurious facilities are getting publicity they would otherwise not have had.

In anticipation of more tourists this year, hotel space had been increased to handle 300 more visitors per day. Many hostelries had undergone extensive redecoration and renovation. Luxurious additions have been completed and swimming pools built.

The new Windsor airfield, more docking space, airconditioned waiting rooms for ship visitors were all ready for the 1958 boom.

If the strike is settled soon, many vacationers will remember these facilities.

THE INVESTMENT FUNDS

Commonwealth International Assets Up; Down per Share

MONTREAL (Staff) — **Commonwealth International Corp.** net asset value per share Dec. 31 was $6.34, down from $6.62 Sept. 30 and $7.70 June 30.

Total net assets of $10,603,055 were up 0.55% from $10,545,014 Sept. 30, compared with $11,446,627 June 30.

During the last quarter of 1957, the fund made purchases of 26 securities, sales of five.

At Dec. 31, holdings of bonds, net cash, etc., had risen to 15.53% (14.48% Sept. 30). Stocks made up 84.47% of the portfolio (85.52%).

By industries, portfolio percentages were (Sept. 30 in brackets):

Banking and finance 10.27 (9.65); base metals 7.80 (8.96); chemicals 2.50 (1.84); automotive 1.22 (1.46); construction 10.30 (9.29); containers and packaging 1.57 (1.65); gold mining 0.83 (0.91); heavy industry 8.65 (10.16); merchandising 5.22 (5.04); oils 6.80 (7.53); public utilities 7.20 (5.14); pulp and paper 9.32 (10.41); rail and rail equipment 4.70 (5.55); miscellaneous 8.09 (7.93).

Here are portfolio changes in the quarter ended Dec. 31:

Bonds, Notes:	Held at Dec. 31	Change since Sept. 30
Algom 5% 1951	$31,000	+$31,000
Cdn. Industries 5¾ 1977	100,000	+100,000
Can-Met 5½% 1962	33,000	+33,000
Con. Den. 5% 1962	40,000	+40,000
El Paso Nat. 5¼% 1977	50,000	+50,000
GMAC 6¼% 1977	100,000	+100,000
Govt. Canada 2% 1957	....	—300,000
Govt. Canada 2¼% 1957	....	—200,000
Ont. Hydro 5% 1964	100,000	+100,000
Que. Hydro 5% 1962	100,000	+100,000
Shawinigan 5½% 1972	50,000	+50,000
Westcoast A 5½% 1988	40,000	+40,000
Westcoast C 5½% 1988	100,000	+100,000
Cdn. Acc. notes	....	*
Ind. Acc. notes	....	*
Union Acc. notes	....	*

*Purchase and sale $100,000 each during the quarter.

Preferred:	Shares held at Dec. 31	Change since Sept. 30
B.C. Electric 5½%	1,000	+1,000
Cn. Oil 5%	125	+125
Consumers Gas 5½%	600	+600
Common:		
Bank Nova Scotia	2,000	+1,000
Bell Telephone	2,500	+1,500
B.C. Telephone	2,425	+425
Cdn. Bank of Commerce	2,090	+840
Cdn. Industries	2,000	+2,000
Consumers Gas	5,000	+2,000
Du Pont of Can.	2,900	+2,900
Imperial Bank	1,750	+750
Page-Hersey Tubes	1,000	+1,000

Note: Other portfolio transactions in the period include:

Gulf Oil — Received stock dividend of 25 additional shares.

Niagara Wire Weaving — Received 3,000 "A" shares and 9,000 "B" shares in exchange for 3,000 old shares.

A. V. Roe — Received 7,875 shares in exchange for 6,300 shares Dominion Steel & Coal plus $10.25 per share in cash.

Standard Oil of New Jersey — Received and sold 1,000 rights.

Texas Company — Received stock dividend of 20 additional shares.

U. S. Rubber — Received stock dividend of 40 additional shares.

BUYS FILM COMPANY

Du-Art Film Laboratories Inc., through its subsidiary, **Associated Screen Industries Ltd.,** has acquired the physical assets of **Associated Screen News Ltd., of Canada,** Montreal. Latter specializes in theatrical release printing for most of the major U.S. producers, and in industrial and television work for Canadian and U.S. producers. New company will be known as **Associated Screen Industries Ltd.**

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MONTREAL, Que., Cooke Toledo Motors Ltd., 2134 St. Catherine St. West
QUEBEC, Que., Auto Moderne Ltée, 498 rue de la Couronne
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See REAL ESTATE INVESTMENT TRUST

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Want to Start an Industry?

Last of a series of articles on the new trends that make the big step easier than you think . . .

By CLIFFORD FOWKE

Packaged Statistics

The most important package plan for smoothing the path of new industry in Canada is also the cheapest.

It is the multi-million-dollar statistical service which the federal government provides through the Dominion Bureau of Statistics at a cut-rate price of from $1 to $50 a year, according to requirements.

Here, for an annual charge of from $30 to $50, the businessman can get one of the most comprehensive statistical coverages of industry and social developments that any country puts out.

For $1 a year, he can get monthly reports on a particular industry which will usually tell him how sales and production plus various other aspects are moving in that one field.

For $30 a year he will get around 200 publications, each dealing with a different manufacturing industry, probably about 50 on merchandising and services, and scores of others covering imports and exports, crops, travel, health and international trade.

For another $15, special memoranda will be sent out to him, often on a monthly basis dealing with all aspects of transportation, public utilities, etc., etc. Add another $5 and special studies on a variety of subjects like the recent one of fluid milk sales, will be included.

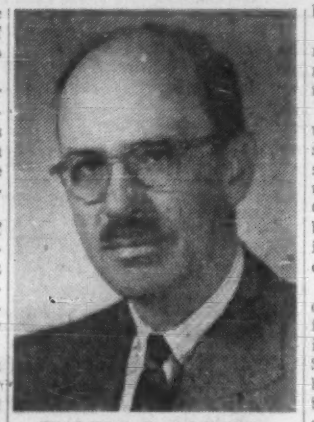
There are current reports that the fees are to be revised upward in due course but, even then, it could still be a bargain service.

For the wise industrialist, statistics are a continuing study. For the man or company starting in a new field or expanding in an existing one they are as important as the machinery to turn out his product.

Appropriate statistics are the first field of study for a new product idea. But, often enough, that order has been reversed and a study of statistics has prompted new product ideas.

Tabs On Industry

On the job of keeping industry informed and encouraging development where gaps or opportunities occur, DBS has streamlined its organization, is constantly adjusting and extending its approach, and keeps a close eye on mechanical and other developments that might



WALTER E. DUFFETT
Dominion Statistician

improve its operational efficiency.

It is an organization with a regular staff of about 1,450 and hundreds of part-time enumerators and other helpers across the country. At its headquarters in Ottawa, a complete wing of the building is devoted to comptometer and other calculating machines.

On the last census, more than 16 million punch cards were processed.

Tens of thousands of others go through at regular intervals as a matter of course to record prices, shipments, output and employment, etc., in scores of different fields.

This is a service which the new or growing industrialist would find well worth a short study.

Aid To Success

The industrialist will decide on his own requirements according to his line of business but this is the kind of information that can spell the difference between success and failure.

It is what provinces and regions are studying more and more closely in their search for new industry.

Many provinces have already used it as the basis for local studies of manufacturing gaps such as are revealed by the volume and breakdown of imports. Cities and townships find it to be their one reliable source of information on the pace of local economy.

And established industrialists co-operate with the service fully. Manufacturing firms, for instance, are required under the Statistics Act to make returns but the powers seldom have to be used. "We find they are 100% co-operative," says a DBS official.

The Bureau spends a lot of time on jobs for which it never charges. Regional offices handle scores of personal inquiries daily. In Toronto, where the office is responsible for a large part of Ontario, DBS recently reported these inquiries coming in at the rate of 30 or 40 a day.

Sometimes, companies will ask for special studies to be made on some particular aspect in a field and, if this involves more than a few hours to complete, there is usually a charge for clerk and machine time.

But, often enough, inquiries go through as a free public service providing information that has already been published or something from the vast supply of details that flow into the DBS offices but is never sent out on a general mailing list because there is no adequate demand.

In its 1956-57 fiscal year, DBS sent out over five million pieces of mail and its Addressograph Unit addressed about 7.7 million forms. It mailed out 1.6 million copies of publications.

The census, like that of 1956 which will finally cost about $4.5 million, jacks up its expenditures but it will be into another this year with a trial run in preparation for the 1961 count.

Head of this 40-year-old, fast-developing organization is Walter E. Duffett who, at the beginning of last year, succeeded Herbert Marshall as Dominion Statistician.

> ***It's easier than ever to start a new plant today—if you have a hot product idea and a good credit rating.***
>
> ***There are "package plans" aplenty to smooth out wrinkles for new enterprise.***
>
> ***This is the new trend among developers, designers, builders and suppliers — a trend aimed at boosting business and beating tight money.***
>
> ***This series by FP's construction industries editor has told how the plans work.***

INVESTMENT IN PRACTICE

Common investment problems . . .

BY PATHFINDER

Case No. 13:

"Is there any way of eliminating the troubles caused by market swings? I never seem to be able to know which way the market is going, and usually buy when it's about to go down."

Comment:

Dollar cost averaging is probably the best way to offset market swings.

Dollar cost averaging is extremely simple. It merely means that funds are invested regularly in equal dollar amounts regardless of the ups and downs of the market.

How can this solve the timing problem which is a major obstacle to profitable investment?

An example illustrates the working of this simple arithmetic principle:

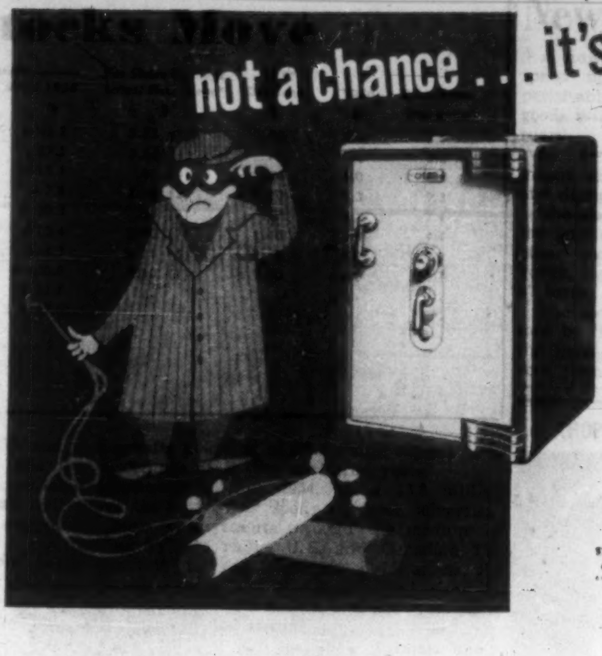
If the market price rises and falls in three steps, say from $1 to $3 and back to $2, and 100 shares were bought at each level, the total cost would be $600 (100 × $1 + 100 × $3 + 100 × $2). Average cost: $2 ($600 ÷ 300 shares).

But if $200 were put to work in each period the total amount invested would be the same — $600. But at $1 a share, 200 shares would be bought; at $3 only 66 shares; and at $2 the $200 investment would buy 100 shares—a total of 366 shares. Average cost: $1.64.

The advantage to investors of this type of planned investment is apparent. Money must be set aside for later needs such as retirement. Pension plans and life insurance can shoulder part of this savings program but neither usually protects against a continued fall in the purchasing power of the dollar. Consistent investment of a constant number of dollars is one method of achieving this type of savings.

Moreover, over any period of 10 years or more, if the average of industrial stocks is taken as the typical investment, the chances of such a program producing a loss are small, while records show that capital gains of a substantial order are more the rule.

Comments on this and other investment questions are to be found in the 80-page book "How To Invest For Bigger Profits" by Pathfinder, now available for $2 a copy from The Financial Post, 481 University Avenue, Toronto 2, Canada.



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Free Medical, Surgical Care For Newfoundland Children

From Our Own Correspondent

ST. JOHN'S — The Newfoundland government hopes to implement the second part of its 4-phase children's health plan not later than Feb. 1, according to Premier J. R. Smallwood.

The second part of this plan will give free medical and surgical care to all Nfld. children under 16, while in hospital.

At the same time the premier announced that effective March 31, 1958, cottage hospital fees will be reduced to $10 per family per year as compared to $15 now.

Doctors and surgeons fees as well as charges for medicines and any operations that may be necessary while in hospital will be paid by the government at an estimated cost of $500,000 a year.

This will bring the total cost of the children's health scheme to $1.5 million a year.

The reduction in cottage hospital fees will save the subscribers $300,000 a year.

Approximately 175,000 children under 16 are eligible for benefits under the plan.

Bursaries Program Coming in Nfld.

From Our Own Correspondent

ST. JOHN'S — The Newfoundland Government will establish a system of scholarships and bursaries so that pupils in the province's one-room schools will be able to attend larger schools.

Dr. F. W. Rowe, education minister, made this announcement at a conference of school supervisors.

He said that the one-room school problem, "the greatest educational problem in our province," coul be solved by a bursaries program so that grade 10 and 11 pupils in the one-room schools could attend six-room and larger schools.

By doing this, "I believe we can come near to making educational equality a reality."

Powerful New Cobalt Camera Probes Steel

Dominion Foundries & Steel Ltd. is installing a new cobalt camera at its Hamilton works for radiographic inspection of steel castings.

Designed for foundry radiography, this is said to be the most powerful of its kind in the world.

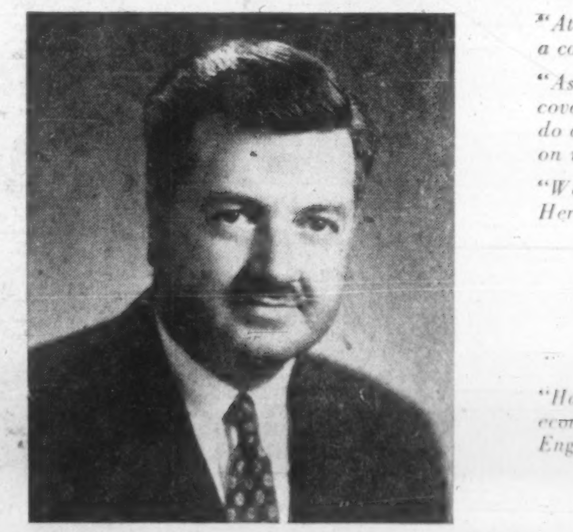
One hundred times as powerful as the unit it replaces, the new camera has a power rating of 755 curies. It employs radioactive Cobalt 60 as its source of power.

The high power source enables the machine to probe through solid steel in its search for hidden flaws

The device is located in a three feet-thick concrete walled pit, 14 ft. below ground level.

Operation is by remote control. There is no absorption of radioactivity by the steel during radiography.

"We know the value of a continuous flow of merchandising information"



"At Smith Manufacturing we know the value of giving dealers a continuous flow of merchandising information.

"As Canada's largest manufacturer of weatherstrip, ironing pads and covers our experience has shown us that business papers do a splendid job in keeping our dealers up to date on what we are doing to help them sell.

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Information on point of sale material available
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Publicity for improvements and developments in current lines
Information on prices
Illustration of new packaging
Suggestions on potential customers for our dealers

"Hardware and Metal reaches our dealers effectively and economically. We like it. We use it exclusively for our English language hardware trade advertising."

D. C. Boyd
Advertising and Sales Promotion Manager
Smith Manufacturing Co. Ltd.

To sell your products effectively your dealers need information. They must know your line thoroughly. They must know your merchandising plans so that they can take full advantage of all you are doing for them.

Business paper advertising is the surest and most economical way to provide dealer information.

As an advertiser you are in complete control of what is said. You choose the message you want to put across. You decide on the phrasing. Yours is the timing. You are not dependent on a sales message relayed by someone else, it comes direct from you.

Business paper advertising reaches the alert, aggressive dealers who really move merchandise, and it reaches them in a business atmosphere.

Choose one of these top-flight Merchandising publications, and set it to work for you through 1958.

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CANADIAN STATIONER
DRUG MERCHANDISING
HARDWARE AND METAL & ELECTRICAL DEALER
HOME GOODS RETAILING

MEN'S WEAR
PAINTING AND DECORATING
PHOTO TRADE
STYLE
L'EPICIER (the Grocer)
LE PHARMACIEN (the Druggist)
LE QUINCAILLIER (the Hardwareman)

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Our Brewery Stocks Buck the Downtrend

By H. R. SUYDAM

One of the strongest groups to buck the downward trend in stock market prices these past six months has been the brewing stocks.

A comparison of the stocks of eight companies engaged in the brewing and sale of malt beverages shows that all of them have been doing considerably better than the market as a whole since it went into its current decline early last summer.

Since June, the average market price of the brewing stocks under study has climbed more than 4% compared with the 17.6% decline registered by the TSE industrial index.

The Dominion Bureau of Statistics' index of security prices for the beverage group, based on 10 stocks, dropped by over 7% in the same period.

(Five of the brewing stocks examined are used in compiling the DBS index. The remaining five stocks of distilling companies and a wine company accounted for the index drop.)

Since 1953, the average market price of the eight listed stocks has risen 32.9%, only slightly lower than the 33.2% gain marked up by the TSE industrial index.

Previous Slumps

How have the brewing stocks performed in previous market slumps? Do they exhibit the stability in weak markets which have earned certain other types of securities, food stocks among them (**FP**, Jan. 4), the reputation of being "defensive"?

In 1949, there was a general weakness in common stock prices during the first six months. From January to June, the TSE industrial index declined 13.6% and the DBS index of security prices 12.8%.

The drop in the DBS subindex for beverages over the same period was only 7.1%. This was despite the fact that most of the eight brewing stocks listed showed a falling off in both sales and earnings for the year.

During the market decline of 1953, the index of stock prices for the beverage group along with that for the food group were the only ones to show a net gain over the year, up 10% and 6.2% respectively. The DBS index of security prices as a whole (95 companies), fell 18.7% during the year.

In contrast with 1949, sales and earnings in 1953 were up for practically all of the brewing companies, and per capita consumption of beer in Canada reached its postwar peak.

Currently the relative strength of the beverage issues reflects a generally satisfactory earnings picture and in many cases a substantial increase over the previous year.

Canadian Breweries reported an increase of 16.4% in consolidated net profit for the year ended Oct. 31, 1957. Net profits for two of its subsidiary companies, **Dow Brewery** and **Western Canada Breweries**, were up 19.4% and 14.5% respectively for the same fiscal period.

Earnings of **John Labatt Ltd.**, for the year ended Sept. 30, 1957, were 10% higher than in the previous year. **Molson's Brewery** showed net profits for the same fiscal year almost 15% ahead of last year.

For the year ended June 30, 1957, **Lucky Lager**, reported an earnings increase of nearly 32%. Recent figures are not available for the two other companies in the table.

The strong position of the brewing stocks during 1957 reflects a growing population, general prosperity and good summer weather.

Total sales of beer in Canada during the past year reached a record 8.8 million bbl., which is 3.5% higher than the previous record set in 1956. Per capita consumption of beer in 1957 was about 13.4 gallons, only slightly below the peak years, 1952-53.

Ontario Picture

Only in Ontario were there signs that the rise in demand might be slowing down. December sales in that province were nearly 2% lower than a year ago, but were ahead in all other provinces, particularly in the west.

The decline in beer sales in Ontario at the end of 1957 coincides with a rise in unemployment. This is in line with earlier experience in periods of business decline.

In 1950, and to a greater degree in 1954, the percentage of the civilian labor force seeking work was well above the postwar average. In both years beer sales for the country as a whole fell below the total for the previous year.

Brewing industry earnings for 1950 remained generally unchanged from a year earlier, but in some cases showed a slight decline.

In 1954, the profits' picture for the brewers was mixed. Some companies, notably the Canadian Breweries' group, reported increased earnings for the year. Others did not do so well.

However, a second factor was present in each of these two years which somewhat weakens them as examples of a positive relationship between sales and unemployment.

Bad Weather

The summers of 1950 and 1954 experienced one of the main hazards of the brewing industry — bad weather. Both were unseasonably cool.

Whether unemployment or summer coolness contributed most to the decline in sales is difficult to say. But more than one brewing company in annual reports for 1954 named both as a factor in limiting industry volume during the year.

As in other industries, costs in the brewing industry continue to climb.

Biggest percentage growth has been in the outlays for advertising. Competition for a share of the relatively inflexible business of the Canadian beer drinker has resulted in a doubling of advertising expenditures in the last three years.

In 1954, some $3.8 million was spent on beer advertisements through the medium of radio, U.S. and Canadian TV, and Canadian publications. By 1957 this figure had risen to $7.6 million and shows no signs of abating.

Of the 1957 amount, about $3.2 million was spent on U.S. TV alone.

How the Beer Stocks Move

	Price per Share: Recent $	June/57 $	June/53 $	Change: Since June %	Since 1958 %	Per Share Earnings Latest Fiscal Year* $	1957 Dividend $	Yield $	Price/Earnings Ratio
Canadian Breweries	26.50	25.85	18.50	+2.4	+43.2	3.52 (1)	1.50	5.6	7.5
Dow Brewery	30.00	30.00	16.00	N.C.	+87.5	3.66 (1)	nil	..	8.2
Interior Br. B.	4.00	4.10	4.50	—2.4	—11.1	.61 (4)	.24	6.0	6.5
John Labatt	18.85	19.00	17.50	—0.6	+7.8	2.03 (2)	1.20	6.3	9.3
Lucky Lager	4.30	4.10	3.30	+4.8	+30.3	.58 (3)	.27	6.2	7.4
Molson's B	26.50	24.50	24.00	+8.1	+10.4	2.80 (2)	1.40	5.3	9.4
Sicks' Breweries	22.00	21.50	22.35	+2.3	—4.3	2.21 (5)	1.40	6.3	9.9
Western Canada	30.00	26.00	15.00	+15.3	+100.0	2.80 (1)	1.20	4.0	10.7
TSE Industrial Index	402.83	489.28	302.37	—17.6	+33.2	..	..	..	..
DBS Beverage Index	487.3	525.9	383.5	—7.3	+27.0	..	..	..	..

*Fiscal year ending (1) Oct. 31, 1957 (2) Sept. 30, 1957 (3) June 30, 1957 (4) Mar. 31, 1957 (5) Dec. 31, 1956

This issue having been sold, this advertisement appears as a matter of record only.

New Issue

$250,000

CANADA ENVELOPE COMPANY

(Incorporated under the laws of Quebec)

FIRST MORTGAGE SERIAL 6% BONDS — Series "A"

Dated: January 15, 1958. To mature: January 15, 1959 to 1978.

Trustee: Montreal Trust Company

Counsel for the Company: Lafleur, Brown, Pitcher, Boulton & Lamb. Montreal.

Counsel for the Underwriters: Howard & Stalker, Montreal.

Price: 100 to yield 6%

H. C. FLOOD & CO. LIMITED

360 St. James Street W., MONTREAL

New Customs Procedure

A new customs procedure to speed up border handling of perishable or urgently required goods will go into effect in February.

In essence, the procedure means releasing the goods first and doing the paperwork after.

The importer must present to the port collector an invoice or other document describing the goods, together with a new "C.-9" form.

The goods may then be examined by the collector to see that the invoice description is correct, then released.

Afterward, the importer presents a formal entry for the goods and assessment and payment of duty, etc. is completed.

However, for a one-time release security is deposited with collector equivalent of 1.25 times estimated duties and taxes on the goods to be released; for a standing authority for release, security between $2,500 to $15,000 is required.

Customs collectors usually expedite perishable shipments. The new procedure sets out a more convenient method of doing this.

Royal Dutch Rights Offered

Rights to subscribe to 7,602,285 additional shares are being offered to shareholders of **Royal Dutch Petroleum Co.** by an international group of 207 investment firms.

For each eight shares held at Jan. 17, one new share may be bought at $30 or 114 guilders until Feb. 10. Offering amounts to $228 million.

Among the firms participating in the underwriting are the U.S. affiliates of **A. E. Ames & Co., Dominion Securities Corp., Harris & Partners, Wood, Gundy & Co.,** and **McLeod, Young, Weir.**

Proceeds will be made available to companies of the Royal Dutch/Shell Group for general purposes, primarily for their capital and exploration programs.

Expenditures for these purposes totaled $4,987 million in the five years and nine months ended Sept. 30, 1957. This year's capital and exploration expenditures are expected to equal last year's $1,120 million.

ANNOUNCEMENT

CHOPE ANNOUNCES FORMATION OF AccuRay OF CANADA

W. E. CHOPE

G. J. HOUSE

The formation of a new company to be known as AccuRay of Canada, Ltd., has been announced by Mr. W. E. Chope, president of Industrial Nucleonics Corporation, Columbus, Ohio. "The formation of AccuRay of Canada Ltd.," said Mr. Chope, "is in keeping with the continuing demand for radioisotope measurement and control systems determined by a two-year economic study of Canada's Paper, Steel, Rubber, Plastics, Tobacco, and Process industries."

Industrial Nucleonics' growth, in 8 years, to the largest manufacturer in the world of automatic process control systems utilizing the "peace-time" atom has been largely due to the pioneering spirit of the founders — W. E. Chope, H. R. Chope, executive vice-president, and G. B. Foster, vice-president and technical director.

Simply stated, AccuRay Systems inform a manufacturer of the minute variances in product occurring during processing. Correspondingly, process control techniques are designed into the control system to automatically correct and adjust the process as deviations from desired specifications occur. The company's sales policy whereby economic justification is established for the purchase of an AccuRay System is unique in the business world.

Industrial Nucleonics has designed and installed over 2,500 of these systems for the control of paper making, cigarette manufacturing, steel rolling mills, tin and zinc coating lines, reversing and Sendzimir mills for copper and brass strip, and other continuous processes. AccuRay Systems in the rubber industry automatically control a number of operations ranging from the manufacture of tire fabric to various rubber sheetings to golf ball windings. Many AccuRay Systems have been installed on paper machines for controlling production of newsprint, fine papers, carton stock, kraft and paper boards, and for paper converting operations including impregnated, coated, laminated, waxed and gummed papers. In the plastics industry, AccuRay Systems are in use for calender and extrusion operations producing floor tile, packaging film, shower curtains, and plasticized fabrics. New products being introduced by Industrial Nucleonics at the present time are a pipewall thickness gauge, a density measurement instrument, and a liquid level sensing device.

The AccuRay of Canada, Ltd., staff will be made up of Canadian personnel, who will be given a thorough training in the United States. Mr. George J. House, who has conducted the economic and market surveys and sales program over the past two years, has been appointed Sales Manager of AccuRay of Canada, Ltd.

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(Advertisement)

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Advance Publishing Service, Inc., Dept. FP125, Box 1377, Miami 8, Florida.

Something-for-Nothing In '58 Big-Sell Trend

Sample services across Canada stepping up business pace . . .

By RICHARD OGDEN

Your chances of getting something for nothing this year are distinctly better than they were last year.

Sampling and promotional services across Canada will be stepping up the pace of their business.

It may take the form of free groceries, gift coupons, courtesy cleaning tickets, or a host of other gimmicks.

Whatever it is you will see more of them more frequently.

Reasons:

- **Keener** competition.
- **Restricted** store space available as more and more stores stock a wider variety of goods.
- **Retailers** are putting greater reliance on packaging to do a selling job.

For example, one well known Canadian food manufacturer told **FP** it is "seriously considering" use of a sampling service.

The attractively wrapped product with an effective eye catcher brings repeat customers.

This means that the sooner a potential customer is acquainted with a particular brand the better the chance of developing a preference for it.

This is where the sampling services come in.

Their principal sales targets:

- **Newcomers**—families moving from one community to another within the same city.
- **Change of residence**—families from out of town.
- **New suburban** developments.
- **Engaged** girl service.
- **Baby** time call.
- **Executive** appointment service.
- **Recent** immigrants.

The latest of these agencies is **New Canadian Sampling Services** which has been formed with the specific aim of familiarizing recent immigrants with Canadian products.

Each manufacturer is assured of exclusive participation since no two competing brands are permitted.

First Target

Sampling's first target will be the Toronto-Hamilton area where immigrants now constitute one third of the population.

This year an additional 100,000 immigrants are expected to settle in this area.

Immigrants who have come to Canada within the last year will be informed that they may receive a free parcel of foodstuffs and household goods if they register at the company's downtown office.

There the multilingual staff records information from an application form and the Canadian government landing card.

This is aimed at preventing any repeat appearances by the same person.

As an additional check, each applicant has to sign an affidavit that no immediate family member has registered previously.

When registration has been completed and a cross check made, a parcel is delivered to the applicant's address.

Unit Cost

Sampling is counting on a distribution of 30,000 packages in the first half year of operations.

The cost of the service will be on a unit basis. This will depend upon the size and weight of the item.

Gift certificates may be included for bulkier products like flour.

Also promotional and descriptive material about such items as radio and television are allowed.

Promotional material will be printed in six languages: English, German, Dutch, Italian, Polish and Hungarian.

Within a week of despatching the parcels, Sampling's research will compile a record of the number of immigrants who have availed of this service, grouping them by country of origin, age, etc.

Then three months later they will go to these people again to find out which brands they are using.

This research will then be passed on to Sampling's parent firm, **McDonald Marketing Services Ltd.**

Sampling is only the latest in this growing field of sampling and promotional services which operate throughout the country.

Personal Calls

Some operate by the personal call and many others by direct mail service.

Probably the best known of these services is the familiar **Welcome Wagon Ltd.** which has been operating throughout Canada and the U. S. for nearly 30 years.

It is based on the tradition of the Conestoga wagon sent out with provisions to meet early settlers.

Within a day or so of arriving in a new community a WW hostess will call on the housewife with a basket of merchandise from local business firms and helpful advice for the new resident.

The value of the goods is usually around $10-$15, sometimes higher if the free service certificates are used.

A cardinal rule of WW is to avoid anything smacking of high pressure selling.

The emphasis is on the personal call and a discussion of the problems faced in settling in a new community.

Gift Basket

They explain that the basket is a gift from the local merchants and recommend the goods they bring and the services represented.

The result of this personal approach is that a WW hostess can put over a product where the run-of-the-mill salesman would merely be shown the door.

All hostesses must know details of local civic and religious activities, as well as the Boy Scouts and the Red Cross, etc.

Such information and literature are distributed without charge.

All representation is on a strictly exclusive basis.

In other words, only one brand of soap is carried in the hostess basket.

However, in one district a gift certificate might come from Brown's drug chain, and in another community Smith's drug chain would be represented.

Retailers and manufacturers can purchase one of the WW services, e.g. baby time call, or the whole service.

This can be arranged for on a city or a national basis.

Fees are based on the usefulness of the service involved.

For instance, a dairy or bakery which is used frequently is charged more than a hardware which is only used occasionally once the family has established itself.

But even then the fee is not a flat one.

It depends on the number of contacts made. Written reports are sent in — known as check cards.

These include the husband's business, the number of children and the ages, whether house is rented or owned.

The hostess makes a mental note of these facts and then writes up the form card when she gets outside.

These are then sent to individual clients who then follow up with their individual promotions.

New Issue

$20,000,000

THE Consumers' Gas COMPANY

5% First Mortgage Sinking Fund Bonds, Series B

To be dated February 6, 1958 — To mature February 1, 1978

Price: 98.50 and accrued interest

We, as principals, offer these Bonds, subject to prior sale and change in price if, as and when issued by The Consumers' Gas Company and accepted by us, subject to the approval of all legal matters on our behalf by Messrs. Arnoldi, Parry, Campbell, Pyle, Godfrey & Lewtas, Toronto, who will rely as to matters of title to the specifically mortgaged premises on the opinion of Counsel for the Company, Messrs. Zimmerman, Haywood & Turville, Toronto, to whose approval on behalf of the Company all legal matters are subject. Said Counsel for the Company will rely as to matters of title to certain of such properties on the opinion of local counsel.

A prospectus will be promptly furnished on request

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McLeod, Young, Weir & Company Limited
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Bell, Gouinlock & Company, Limited
Mills, Spence & Co. Limited
Royal Securities Corporation Limited
Harris & Partners Limited
James Richardson & Sons
Burns Bros. & Denton Limited
Deacon Findley Coyne Limited
Cochran, Murray & Co., Limited
Midland Securities Corpn. Limited
Matthews & Company Limited
R. A. Daly & Company Limited
Dawson, Hannaford Limited
Equitable Securities Canada Limited
W. C. Pitfield & Company, Limited
Bankers Bond Corporation Limited
Collier, Norris & Quinlan Limited
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January, 1958

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have you a problem concerning

STERLING?

If you are a recent settler from Britain, and hold Blocked Sterling assets, or if you have received a legacy from a resident of Britain or the sterling area, you are invited to consult any branch of Imperial Bank of Canada regarding the transfer of such assets to this country.

Our services and specialized knowledge of United Kingdom and Sterling Area regulations affecting securities and blocked sterling balances are freely available to assist you.

Your enquiries are invited at any branch of Imperial Bank of Canada from coast to coast.

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With which is amalgamated Barclays Bank (Canada)

60-7

Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Textiles

BILTMORE HATS LTD., Guelph, consolidated net profit of $83,513 for year ended Oct. 31, 1957, was 4% higher than previous fiscal year's $80,276.

Considerable improvement was achieved in production techniques, and additional improvements are on the planning board, say Chairman Wm. F. Franke and President Norman McMillan.

Company decided to broaden its activities in development and promotion of new hat styles. Company acquired all the shares of **Jess Applegath Ltd.**, which operates one retail store in Toronto and one in Montreal. In addition to selling hats, these stores sell men's furnishings.

CONSOL. INCOME ACCOUNT

Years Ended Oct. 31:	1957	1956
Net earnings	$175,256	$134,765
Less: Depr.	44,243	31,589
Debentures int.	13,500	13,500
Income tax res.	34,000	9,400
Net profit	83,513	80,276
Less: Cl. A divds.	40,000	40,000
Com. divds.	16,000	16,000
Surplus for year	27,513	24,276
Earnings per Share and Dividend Record:		
Class A	$2.09	$2.01
* Paid	1.00	1.00
Common	1.09	1.01
Paid	0.40	0.40
Shares o/s at October 31:		
Class A, $1 par	40,000	40,000
Common, n.p.v.	40,000	40,000

CONDENSED CONS. BALANCE SHEET

As at Oct. 31:	1957	1956
Cash	$10,413	$5,359
Accts., etc., rec.†	530,336	518,804
Inventories	595,370	658,157
Total curr. assets	1,136,119	1,182,320
Prepaid exp.	10,992	3,764
Invest. in subsid.	75,000	......
Fixed assets*	466,654	473,112
Total assets	1,688,765	1,659,196
Bankers' adv.	192,062	263,188
Bonds pay., 1 yr.	37,500	......
Accts., etc., pay.	258,594	196,605
Taxes pay.	18,083	6,890
Total curr. liab.	506,239	466,683
Mtge. bonds pay.	262,500	300,000
Conting. res.	‡	*50,000
Capital stock	85,475	85,475
Surplus	834,551	757,038
*After depr. of	642,117	600,187
†After allowance for doubtful accounts.		
‡Transferred to earned surplus.		
Working capital	629,880	715,637

Note—Customers' paper under discount, $110,536 and letters of credit o/s, $7,950 at Oct. 31, 1957.

Beverages

DOW BREWERY LTD., Montreal, consolidated net profit for year ended Oct. 31, 1957, was $2,833,115, an increase of 19.4% on the previous year's $2,371,938.

Profit margin improved as a result of higher volume and increased plant efficiency, reports chairman Wilfrid Gagnon, despite rising cost of wages, materials, and operating expenses. Sales reached highest level since 1952.

Depreciation was provided at the maximum allowed under income tax regulations.

Capital expenditures amounting to $2,483,375 provided for the completion of the Montreal plant expansion. The bottling house of the Quebec brewery was renovated during the year and now operates at full capacity.

As total production capacity is now adequate, company expects capital expenditures will be lower in the next few years. Approximately $900,000 will be spent in 1958.

Altogether company will have invested close to $18 million in capital additions and replacements since 1952.

CONS. INCOME ACCOUNT

Years Ended Oct. 31:	1957	1956
Net earnings	$7,819,440	$6,720,581
Less: Deprec.	2,248,825	2,061,886
Deb. int.	162,500	171,757
Res. for taxes	2,575,000	2,115,000
Net profit	2,833,115	2,371,938
Less: Pref. divds.	194,250	194,250
Surplus for year	2,638,865	2,177,688
Times Debenture Interest Earned:		
Before deprec.	48.12	39.13
After deprec.	34.28	27.12
Earnings per Share and Dividend Record:		
Preferred	$25.52	$21.37
Paid	1.75	1.75
Common	3.66	3.02
None paid.		
Shares o/s as at Oct. 31:		
Pref. $25 par	111,000	111,000
Common n.p.v.	721,372	721,372

CONDENSED CONS. BALANCE SHEET

As at Oct. 31:	1957	1956
Cash	$6,334,794	$2,265,577
Accts. rec.	3,629,270	3,680,450
Mkt invest.‡	201,250	6,330,425
Inventories	4,473,137	4,789,100
Loans rec.	5,000,000	......
Total curr. assets	19,638,451	17,065,552
Misc. assets§	379,027	398,891
Misc. invest.	1,582,339	1,145,944
Fixed assets*	16,327,551	16,354,388
Total assets	37,927,368	34,964,775
Accts., etc., pay.	2,109,944	2,390,608
Income taxes	1,538,875	1,028,884
Total curr. liab.	3,648,819	3,419,492
Funded debt	5,000,000	5,000,000
Capital stock	8,185,285	8,185,285
Surplus	21,093,264	18,359,998
*After depr. of	14,924,113	13,271,015
‡Market value	191,000	6,224,850
§Of which $310,174 in 1957 and $342,721 in 1956 prep. exp. included in curr. assets in co.'s report.		
Working capital	15,989,632	13,646,060

Foreign Exchange Rates

Noon Value in Canada
Week Ended Jan. 17, 1958

	U. S. $	U. K. £
Mon.	98 26/32	2.78 1/32
Tues.	98 19/32	2.77 14/32
Wed.	98 15/32	2.76 28/32
Thurs.	98 10/32	2.76 14/32
Fri.	98 13/32	2.76 28/32
Ave.	98 83/160	2.77 21/160

U. S. rate reported by Bank of Canada.

U. K. bid rate reported by Toronto-Dominion Bank.

Bank Staff Changes

Commerce:

W. D. BATE, an assistant inspector, regional office, Vancouver, to be manager, Campbell River, B.C.

E. BOULTER, manager, Mission City, B.C., to be manager, Victory Square, Vancouver.

J. J. G. BOURBONNIERE, assistant manager, St. Johns, Que., to be manager, Granby, Que.

W. M. BOWERS, to be an assistant accountant, City Hall, Toronto.

F. S. DALE, an assistant accountant, Belleville, Ont., to be accountant.

D. E. FRANCIS, accountant, Princeton, B.C., to be manager, Alberni, B.C.

"With NATIONAL, same staff handles 30%—40% more business . . ."

Says J. Vanderspek, General Manager, Public Freightways Ltd., Vancouver, B.C.

"Just a year ago, we installed one National "32" Bookkeeping Machine and two National "158" Posting Machines. At this time, we'd like to tell you how pleased we are with the results.

The National "32", with one girl operating, handles all records but billing—nine operations in all. The two "158" machines easily do up to 15,000 invoices per month.

Since installing these machines, we have ended late postings. Our monthly notices are out by the 15th of the following month . . . bi-monthly bills within three days of closing.

We now handle 30-40% more business and expect to handle an additional 30%—all without any appreciable increase in our original staff.

As you can see, we're very pleased with National. Both the machines and service have been excellent."

Find out what National can do for *your* business. Contact the National representative listed in the yellow pages under ACCOUNTING MACHINES: NATIONAL.

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ACCOUNTING MACHINES

THE NATIONAL CASH REGISTER COMPANY OF CANADA LIMITED
Head Office: Toronto. Sales Offices in Principal Cities

Bruce Hutchison writes about:

The Liberals

By BRUCE HUTCHISON

OTTAWA — In June, 1936, C. G. Power, MP, a practical politician and an honest man, asked the House of Commons to legislate against corrupt campaign funds.

The late R. B. Bennett, a rather impractical politician but another honest man, accused Power of naivete.

The real danger to Canada, said Bennett, was not the bribery of politicians by the public, but the bribery of the public by the politicians.

Power met Bennett's challenge by introducing a law which would forbid any party or candidate to seek election by promising to spend more money.

That fascinating piece of legislation was never passed, was doubtless unworkable and is generally forgotten.

But Power, now a senator, elder statesman and friend of everybody, must have remembered it last week as he sat, brooding darkly, on the platform of the Liberal party's convention.

For here, in this crowded and clamorous hall, all the evils he had foreseen more than two decades ago re-emerged with revolting clarity.

Apart from the choice of a leader, already settled in advance, the Liberal party had to consider only one omnibus question comprehending all others.

Should it maintain in general the stern, unpopular principles of sound money and manageable finance that honorably distinguished its last years of office?

Or should it try to outbid the reckless promises of the Conservative party?

That question was quickly answered. Or rather it was not even asked. The torrent of resolutions written by the strategists in the back room and approved, usually without debate or understanding on the convention floor, were all designed to outbid the Conservatives.

They were designed, in fact, to push the Liberal party violently to the left of the Diefenbaker government and to retrieve those garments of radicalism stolen by the Tories while the St. Laurent government was in bathing last June.

With two vital exceptions to be mentioned in a moment, the Liberals repeated exactly the performance staged in the same hall by the Conservatives about a year earlier.

The policies of increased expenditure, big government, welfare state, deficit finance and Christmas every day of the year, as laid down in the Conservative platform, were eagerly seized and stretched.

Liberals were not satisfied . . .

The Liberals were not satisfied to leave it at that. Their double-barreled election strategy is to promise more than Mr. Diefenbaker and hang the old albatross of depression around his neck.

This, of course, it outrageous — as outrageous as the Conservatives' attack last year on the Liberal government's policy of sound money. Moreover, it is patently false.

If Mr. Diefenbaker caused the present decline in Canadian business (which the Liberal convention exaggerated into a major catastrophe) then he must have shifted, single-handed and overnight, the economic levers of the world. This theory attributes miraculous powers to a Canadian prime minister.

The true indictment of the present government, if an indictment must be made in an early election, is not that it caused a drop in business and a rise in unemployment, for both were under way, as the statistics show, before June 10, 1957.

The true indictment is that the government, inheriting these conditions, has as yet, devised no cure for them and, as the Liberals think, has worsened them by its blunders.

Happily one man, the most powerful of all Liberals, understands and admits those simple facts.

The first exception to the convention's riot of canards and promises was the choice of Lester Pearson as party leader — a great choice for the party and for the nation; more than that, a fundamental change in the mentality, the mythology and the working methods of our politics.

Pearson is not only a great man. He is a symbol of the contemporary age.

As he stood on the rostrum, suddenly alone in the awful loneliness of responsibility, he looked over the heads of 5,000 screaming followers at the portraits of Laurier, King and St. Laurent, 10 times life-size.

They were all Victorians, children of the 19th century. Their heir was the child of the 20th, he was life-size and, in that spectacle of euphoria and pandemonium, he kept his head.

By now the lines of dog-tiredness were etched deeply under the boyish grin, but even at this moment of triumph and exaltation he refused to join the riot.

Whether you agree with it or not, his indictment of the government was the true indictment. And perhaps secretly appalled by the party platform which he did not build, he refused to make the nation's business a "give-away program or a national lottery."

More than just a gaudy ritual . . .

Unhappily the two party conventions had attempted to make the nation's business precisely that.

If political platforms were taken seriously, if they were more than the gaudy ritual and sun-dance of democracy, a democrat might well despair.

In fact, the new Liberal platform, stretching the forgotten masterpiece of the Conservatives out of joint, will soon be forgotten in its turn. But Pearson will be around for a long time yet and he, like Diefenbaker, will make his own policy as he pleases, in opposition or government. A comforting thought in the winter of our discontent.

The second exception to the rule of irresponsibility in any convention is a new Liberal policy of foreign trade, or the revival of an old one.

Canadians will quarrel about free trade with Britain, but that is a respectable issue.

Provided the Liberals will stand on it, win or lose, they can quickly lift themselves out of last week's morass of words and paper.

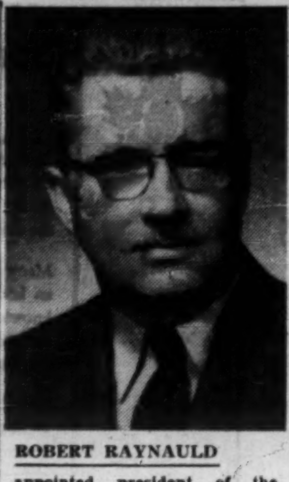
Anyway, two facts seemed clear to this reporter as he gazed, at three a.m., upon the deserted arena, the torn banners, the photographs of Pearson and Martin trampled and muddy on the floor.

The first is that Big Government and Big Bureaucracy (the words are Pearson's) will grow bigger from now on, and so will the deficits and the state's pressure for perpetual inflation.

The second is that a convention can choose the right leader by the deep folk wisdom of human kind when it is judging a fellow man.

But a convention, as Burke said long ago to the electors of Bristol, is constitutionally incapable of framing a policy for a very simple reason — it assembles from all parts of the nation knowing only the local demands, hopes and needs of those parts but never knowing the whole nation, never adding up the cost of its decisions and always refusing to accept final responsibility for them.

It calls the tune. It refuses to pay the piper. We can still hope, though, that men like Pearson will not dance to that tune.



ROBERT RAYNAULD

appointed president of the Quebec Forestry Association Inc. He is also editor of the French farm magazine La Ferme.

Imperial Oil 1958 Outlay $133 Millions

Imperial Oil Ltd. plans a continued high rate of activity in all phases of its operation in 1958.

Projected outlays to find and develop oil and for new plant and equipment are roughly $133 million.

This will carry Imperial's investment in Canada since the 1947 Leduc oil discovery past the $1 billion mark.

Every Canadian province will again share in the year's expenditures. Just under half of the sum will go for exploration and development program, extending from B. C. to the Maritimes.

The balance will go for construction jobs at company's refineries across the country, new petrochemical projects at Sarnia, and improvements to marketing facilities in all 10 provinces.

In the 11 years since Leduc the company's growth has called for investment at a rate which is roughly double its net earnings during the same period.

The investments have equipped all the operating divisions to handle larger volumes and to do so with greater efficiency.

Bright Spots Showing Up In Maritimes

From Our Own Correspondent

HALIFAX — H. G. Norman, president of the Montreal and Canadian Stock Exchanges, predicts higher-level prosperity for the Maritimes.

Visiting Halifax on the last leg of a tour across Canada, to the U. K. and Europe, Mr. Norman told **FP** that while the Maritimes have had a hard time in the past, "I see no reason why the level of prosperity here shouldn't reach the level of prosperity in the rest of Canada."

While federal power proposals would prove "very helpful" to the economy, transportation and development of industries remained hurdles which must be jumped before prosperity came to the Maritimes, he said.

Mr. Norman saw a need for more individual investors in Canadian companies, and he urged Canadians to invest their money into Canadian securities.

And from another source —Atlantic Provinces Economic Council—came an assessment of economic conditions which saw the Atlantic region's economy during 1957 "appreciably fortified" and prospects for 1958 somewhat better than they were at mid-1957.

The APEC study noted a number of soft spots—an intense cost-price squeeze, softening export markets for Atlantic products, the relatively high cost of money and unemployment figures, consistently running above seasonal levels.

Bright Spots

But offsetting these were a number of bright spots — one major industry which suffered in 1957, pulp and paper operations, should be subject to increased activity in the later stages of 1958; higher prices and improved domestic and export markets for the sawed lumber in 1958 should also help the industry; unemployment headaches would be somewhat alleviated by unemployment benefits now extended to fishermen.

The APEC report visualized an increase of capital investment in 1958, although the 1957 spending of $500 million for all sectors would only be surpassed by a small margin.

Oil Import Curbs to Stay Private Reaction in U.S.

(Special Correspondence)

WASHINGTON—Washington is mulling over Canada's vigorous note of protest on the U. S. oil import curbs.

Private reaction here is: "Our hands are tied. We really can't do anything about it."

Under the legislation through which the import curbs were obtained, defense must be given as the reason for the restriction on the Canadian oil.

However, privately, officials here admit that in Canada's case the defense excuse is not a legitimate argument.

The administration argument is that while defense is no excuse, there are economic grounds for the restrictions.

Officials claim the oil market on the West Coast is now over-supplied. The Canadian reply to this is that while the market may be over-supplied at this moment, the three-year-or-longer outlook is for an increasing market in the Pacific Northwest for oil.

The Gordon Commission forecast a potential market of 400,000 bbls. a day in that region by 1975. Up to now we have been sending in 60,000-70,000 bbls. a day.

There now are three oil refineries in the Puget Sound area. One other is on the drawing boards and two more are in the talk stage.

Canadian fears are that these companies might be discouraged if artificial barriers are put in the way of supplies of Canadian oil.

Another Washington argument is that Canadian oil may cost more than domestic oil. This, however, seems a somewhat vague reason for imposing import restrictions on the Canadian oil.

No Change

What it all adds up to is that Washington is not going to change its mind, despite the stiff Canadian note of protest. To lift the import restrictions now would jeopardize Congressional passage of the Reciprocal Trade Agreements Act, reasons the administration.

The protectionists would leap down the White House's throat at any such action. Therefore the restrictions probably will stay.

In fact, there may well be demands that the restrictions be made tighter when the administration next takes a good look at the oil import situation in March.

Meanwhile, there is trouble on another front. The Independent Petroleum Association, comprising 13,000 U. S. domestic oil producers, wants Washington to cut down buying so much foreign oil by the military.

The IPA says the administration has been violating the Buy America Act by upping the ratio of purchases from 83% domestic oil and 17% foreign in 1954 to 73% domestic and 27% foreign in fiscal 1957.

The administration has answered this charge saying: "A healthy oil industry in friendly foreign countries is essential to the allied effort in wartime."

This, however, has not satisfied the domestic producers and they have demanded a revision of the military oil buying program to cut down on foreign oil purchases.

If they fail to get satisfaction from the administration, the IPA officials are likely to ask Congress to intervene.

STRESSING WIRE

Stressed-relieved wire strand, one of the key elements in pre-stressed concrete, is now being produced in Canada by **British Ropes Canadian Factory Ltd.**, Vancouver. The company anticipates that pre-stressed concrete will be used increasingly for general construction. The strand is stressed-relieved by heat treatment with new equipment installed at the company's plant in Vancouver.

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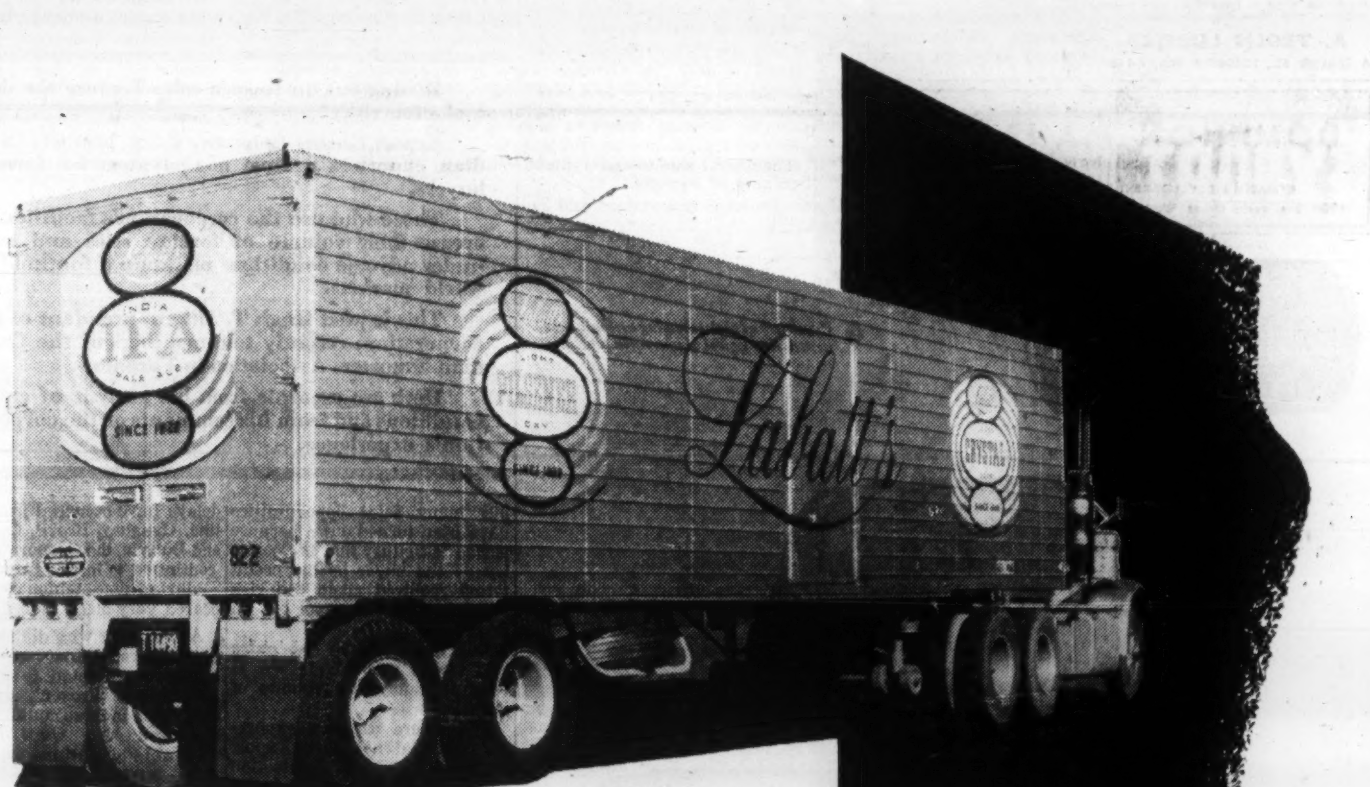

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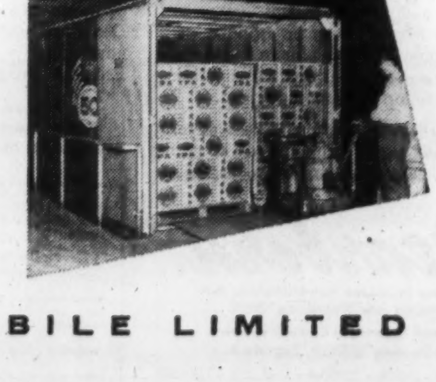

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Credit Conditions in Latin America

COUNTRY	CHANGE IN 1957	PROSPECTS FOR 1958	PAYMENTS	INFLUENCING FACTORS
Cuba	Deterioration	No improvement	Still satisfactory	Falling sugar prices political uneasiness
Dominican Republic	Little change	Continuing good	Prompt	Stability, good management and good crops
Haiti	Deterioration	Has to improve some	Only fair and exchange very scarce	Political confusion, and poor crop outturn
Mexico	Some softening	Increasing pressure on exchange reserves	Collections good, but restrictions increasing	Trade balance under pressure of softer markets, metals and coffee
Guatemala	Weakened	Fairly good	Satisfactory	Assassination of President and disputed election; lower coffee prices and rising imports largely offset by U. S. aid
Salvador	Undergoing strain	Fair; possibility of exchange restrictions	Fairly prompt	Declining coffee prices; loss of exchange reserves; inflation and credit pinch
Honduras	Little change	Little change	Fairly good	Not a strong market, but export prospects unaffected
Nicaragua	Weakened	Little change	Prompt payments but controls tighter	Lower coffee crop and prices; political events, exchange scarce and borrowed from IMF
Costa Rica	Slightly weakened	Little change	Prompt	Lower coffee prices, banana plantation damage
Panama	Little change	Satisfactory	Prompt	Reasonable stability
Venezuela	Good year	Greater problems	Credit problems frequent; exchange plentiful	Political commotion and U. S. oil policy upsetting, aggravating inflation and credit situation
Colombia	Wonderment and confusion	Fair but somewhat uncertain	Payments being cleaned up and should be better	Must consolidate political and financial stability and curb imports
Ecuador	Improvement	Fairly good	Fairly prompt, exchange and credit easier	Good crops and exports, reasonably good management
Peru	Some deterioration	Fairly good	Payments good but exchange more scarce	Declining export income with softer metals and sugar markets, excessive imports
Bolivia	All-time low	Possible improvement	Collections poor, scanty exchange and business slow	Neither tin nor other exports good; debt problems; U. S. aid main dependence
Chile	Serious, worsening	Not bright	Trade payments better, exchange scarce	Sharp drop in copper earnings, difficulties maintaining stabilization program
Argentina	Difficulties persisted	Rather poor	Collections fair, exchange very scarce	Political uncertainty, lagging exports, lower wheat crop, heavy capital needs
Uruguay	Marked deterioration	Should improve	Collections fair, exchange scarce, restrictions tighter and frequently altered	Poor wool sales, falling meat production and exports
Paraguay	Marginally better	Sasisfactory	Collections fair, new free market favorable	Some stabilization of economic and trade system achieved
Brazil	Lost ground	Difficulties threaten	Payments good and orderly but higher auction rate likely	Hardest hit by weak coffee market and bumper crops; exchange earnings reduced; debt payments heavy

Table by Export Credits Insurance Corp.

Export Insurance Offsets Wobbly Credit Conditions

By HUGH T. AITKEN

World markets developed a lot of new problems, and old ones became more acute for exporters during 1957.

In general, horizons are no brighter for 1958.

Inflation, strained credit supply and excessive importation brought exchange problems demanding correctives through credit control and import restrictions in such countries as Japan, Philippines, India, Belgium, Netherlands, Denmark and France.

The impulsive execution of economic development plans created exchange scarcity and future debt obligation problems for countries like India, Brazil and Argentina, as it had earlier for Turkey and Colombia.

The sharp decline in staple commodity prices was a serious blow to the exchange earnings of rubber producers like Indonesia, Malaya and Ceylon; to non-ferrous metal exporters like Chile, Bolivia, Mexico, Rhodesia, Peru, and again Indonesia and Malaya.

Even prospering Australia, New Zealand and Union of South Africa are feeling the new drop in wool prices, as do Argentina and Uruguay.

All the coffee republics suffered a drop in earnings as prices fell in the late half of the year until Brazil with Colombia led the Central Americas and Mexico into a market support scheme, which means reduced volume of exports.

Business uncertainty and recessionary conditions have appeared in practically all the more prosperous and industrialized countries.

This has weakened their positions, and in turn reduced their import demand.

All this adds up to credit uncertainty and another flare-up of dollar scarcity.

Orders are harder to find, competition tougher and credit risks greater.

Those exporters who do not make use of the Export Credits Insurance Corp. sometimes try to justify themselves by saying that they have never had a loss, but many sales opportunities have been turned down because it was felt either that the country or the buyer or the credit terms required made the risk too great for the exporters on their own.

But the profit on one extra sale would probably insure at least 10 times that volume of business.

Then there are those exporters who did not have Export Credits Insurance protection and who had blocked funds for a year or two in Brazil, and now have outstandings in Colombia which are anywhere from 12 to 18 months overdue. Interest on these outstandings cost up to perhaps 6% per annum and while it does not show up on a company's books as a "loss," it is a loss nevertheless

In the corporation's experience, an exporter who protects himself with Export Credits Insurance not only increases his volume of business — which increases his profits — but when losses threaten or when catastrophe develops, rests secure in the knowledge that 85% of his outstandings will be paid to him by the corporation if his foreign buyers do not or cannot pay him.

In addition, financing facilities from his bankers which may not otherwise be available to him, particularly in these times of credit stringencies, are much more likely to be at his disposal when his banker knows he has Export Credits Insurance.

Although during the past 10 years serious exchange transfer delays have occurred in Argentina, Uruguay, Brazil, Colombia and Bolivia, the Corporation has continued to insure throughout — during times which often appeared very black indeed.

An exporter who did not have Export Credits Insurance could hardly be expected to continue to pile up "frozen" accounts receivable in those countries, but exporters who were insured were able to continue supplying their buyers and distributors and thus maintain a foothold in the world market.

In addition to insuring Canadian exporters against non-payment by foreign buyers due to credit and political risks involved in foreign trade, Export Credits Insurance Corp. now insures: (1) consignment stocks and goods shipped for exhibition purposes; (2) sales abroad of Canadian goods by foreign subsidiaries of Canadian companies; (3) expenses, purchases and disbursements abroad by engineering and construction companies supplying capital equipment to foreign buyers.

This recent amendment increased maximum liability from $100 million to $200 million.

Since the first policy was issued in 1945, the corporation has insured export sales of $420 million of Canadian goods, of which $352 million was exports of general commodities sold on 30, 60, 90 day terms, and $68 million capital goods and heavy equipment such as locomotives, etc., sold on credit terms extending to a maximum of 5 years.

Premiums received for all business insured total $4.7 million, an average of about ¾ of 1% for the general commodities business, and about 3% for the medium term or capital goods business.

Total claim payments to Dec. 31, 1957 amounted to $9.4 million. From this amount $6.1 million had been recovered leaving a balance of $3.3 million, of which $200,000 has been written off.

Almost 90% of the outstandings are covered by local currency on deposit abroad awaiting availability of U. S. or Canadian dollars to be supplied by the central bank of the importing country.

Missing out on foreign sales because the deal looks too risky?

Export Credits Insurance Corp. protects Canadian exporters against non-payment by foreign buyers.

Those who use the corporation's facilities increase their volume of foreign sales and even under adverse conditions maintain a foothold in world markets.

This is what Hugh T. Aitken, president of the corporation, recently told members of the Canadian Exporters Association in Toronto.

Here are excerpts from his analysis of credit conditions and from his comments on the corporation's experience.

$11 Million World Bank Loan Will Finance Mexlight Growth

An $11 million loan has been made to **Mexican Light & Power Co.** by the International Bank for Reconstruction & Development, Washington. Head office of Mexlight is in Toronto.

Funds will be applied to expansion of company's transmission and distribution systems in Mexico, and increasing its generating capacity by about 95,000 kw or about 20%.

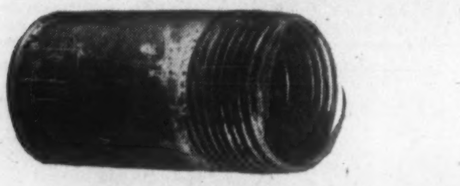
Seven private lenders are participating, without the World Bank's guarantee, for a total of $1 million of the first six maturities, due between September, 1959, and March, 1962.

Participants are **Canadian Bank of Commerce, First National City Bank of New York, Chemical Corn Exchange Bank, National Bank of Washington, United States Trust Co. of New York, Credit Suisse** and **Sofina of Belgium.**

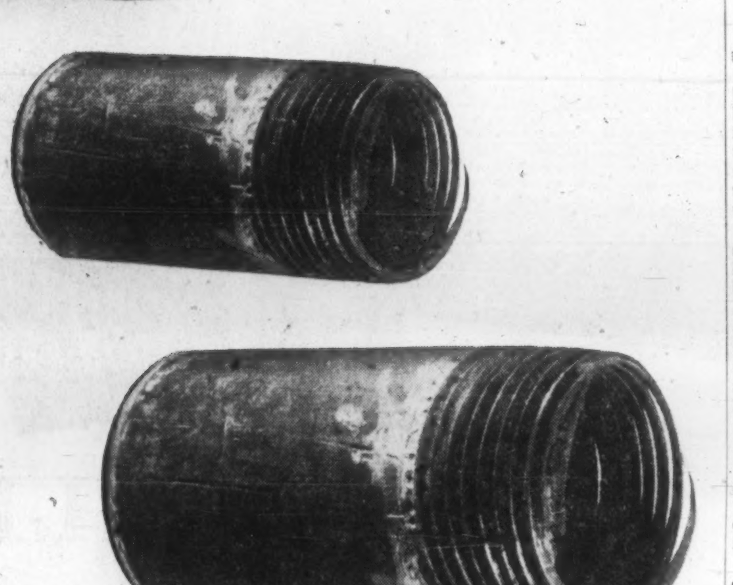
Mexlight distributes power from its own plants and those of the Federal Electricity Commission, in a 12,000 sq. mile area including Mexico City, Toluca, Cuernavaca and Pachuca.

A $26 million World Bank loan in 1950 helped to finance projects which added 155,600 kw generating capacity to Mexlight's system. These projects were completed before 1956.

The new loan is for a term of 20 years, and bears interest of 5⅝%, including the 1% commission allocated to the bank's special reserve. It is guaranteed by the Government of Mexico.



Unretouched photos showing carbonic acid destruction typical of untreated pipelines.



EASY TO SEE THROUGH—AFTER IT HAPPENS

It's too late for water-treatment after the damage is done. Replacement of these threadbare nipples in the return line was only a matter of time. The grooving-type corrosive action of carbonic acid took care of that.

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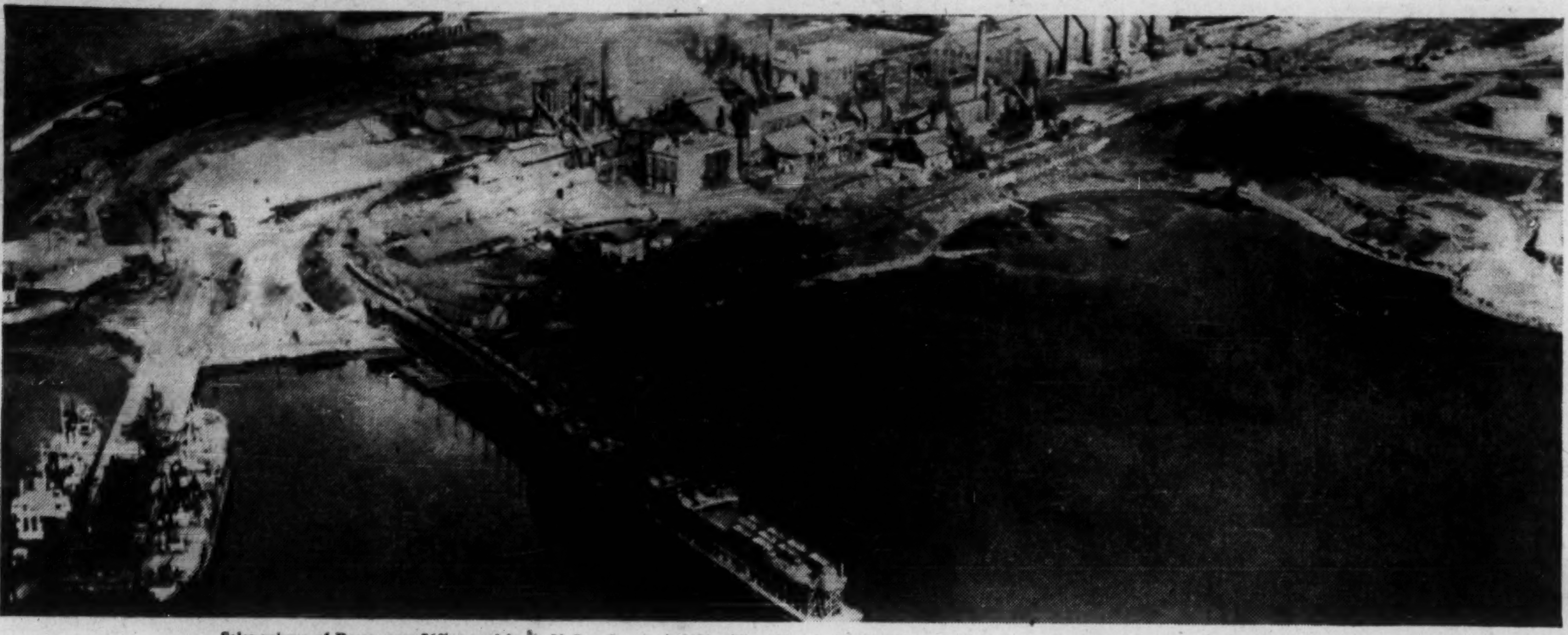
ANNUAL REPORT AND STATEMENT OF THE CHAIRMAN

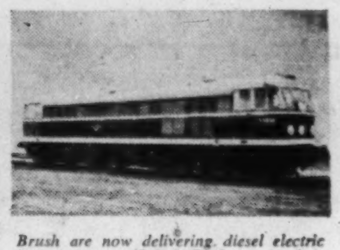
Hawker Siddeley Switches Emphasis to General Industry

Sir Thomas Sopwith Reviews Successful Expansion and Diversification;

World Wide Business is now Mainly Industrial Through Acquisition of Brush in U.K. and Dosco by A. V. Roe Canada Limited

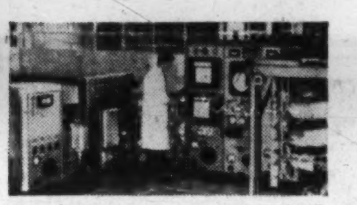


Sales volume of Dosco, now 76% owned by A. V. Roe Canada, is $200 million. Here is the 900,000 ton steel plant on the shore of Sydney Harbour, Nova Scotia.

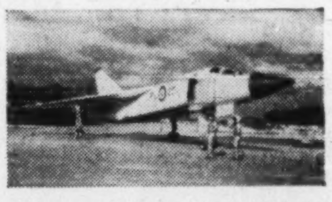


Brush are now delivering diesel electric locomotives to British Railways in their modernization programme.

The "Sea Slug" designed by and now in production at Armstrong Whitworth is the Royal Navy's first sea-to-air Missile.



Performing an engineering test on a liquid metal loop at Hawker Siddeley Nuclear Power Co.



Avro Aircraft in Canada unveiled the new delta "Arrow", a very advanced long-range supersonic aircraft.

The world's first Turbo-Prop Freighter Coach is now being built at Coventry by Armstrong Whitworth. It is the AW 650.

Can-Car is the leading bus supplier in Canada. It is now working on the largest order ever placed by a Canadian transit authority.

Dosco's 7,000-ton press, the largest of its kind in Canada.

The Avro "Vulcan" Bomber was smoothly introduced into service for the RAF—on time.

As part of a large modernisation scheme, High Duty Alloys have installed the first four-high rolling mill and ancillary equipment in their rolling division at Briton Ferry, Glamorganshire.

This is the twenty-second Annual General Meeting of your company.

FINANCE

The Report and Accounts have been circulated and with your permission I will take them as read.

The profits of the Group for the year ended 31st July, 1957, before taxation, amounted to £12,108,483, compared with £12,847,867 last year, a decrease of £739,384. These profits are, however, after charging £6,341,649 depreciation on Fixed Assets, compared with £3,935,856 last year, the heavier charge being mainly due to depreciation of Crown owned machinery acquired in Canada at the end of last year. In addition to these profits there are adjustments arising this year in respect of deliveries of prior years amounting to £2,039,392 after taxation. These adjustments are a normal feature of the Group's Accounts and arise through price settlements agreed subsequent to deliveries. £5,365,294 of the net profits after tax has this year been retained in subsidiaries.

I have on many previous occasions drawn your attention to the necessity to retain substantial funds in the Group. More than £8,000,000 has been spent this year in equipping our companies with up-to-date plant for research and production.

Your Board is recommending a final dividend on the Ordinary Shares of 7%, less tax, making, with the interim dividend already paid, a total dividend for the year of 10%, less tax.

Since the last Meeting major changes have taken place in the constitution of the Group. I refer, of course, to the acquisition in the United Kingdom of The Brush Group Ltd. and in Canada of a 76% interest in Dominion Steel and Coal Corporation Ltd. The financial aspect of these transactions has been fully dealt with in the Directors' Report and I will survey their activities later.

The Jodrell Bank Telescope at Manchester, which attracted world fame when it tracked the Sputniks, is powered by Brush motors—for reliability.

There are two items in the Consolidated Balance Sheet which merit special comment. The first is the large increase in Fixed Assets, due mainly to the inclusion of the Assets of The Brush Group Ltd. The second is the very substantial increase in Bank Overdrafts. This increase arises partly in Canadian companies and partly through the inclusion of the heavy indebtedness of The Brush Group Ltd. at the 31st July, 1957. Since that date bank borrowings in Canada have increased further following the acquisition of the controlling interest in Dominion Steel & Coal Corporation Ltd. At the Extraordinary General Meeting on the 29th May, 1957, you authorized a substantial increase in the Group's permitted borrowing limits and I commented at that Meeting that the Directors were considering replacing part of the Group's indebtedness by capital of a more permanent nature. Since that time we have had a substantial increase in interest rates which has made a decision on this point more difficult. It is hoped, however, that during this year there will be an improvement in the country's economic conditions which will enable your Directors to make proposals for the raising of fresh capital.

HIGHLIGHTS

Among the highlights of the period may be included:—

1. EXPANSION AND DIVERSIFICATION

The acquisition of The Brush Group and Dosco has changed the character and structure of the Group. Two years ago the net assets of the Group were divided in the proportion of 85 per cent. aviation and 15 per cent. industrial. Today, they are roughly 30 per cent. aviation and 70 per cent. industrial.

2. NEW FIELDS ENTERED

Largely as a result of our diversification policy the Group's new interests include, among many other things, steel production, shipbuilding and ship repairs, complete power plants for the generation, distribution and utilization of electricity, marine generating sets, steam turbines, most sizes of diesel engines, coal mining and many kinds of steel structures including bridges and power transmission pylons.

3. SUCCESS IN EXPORT MARKETS

During the year the Group has achieved considerable success in the export field.

This will help to keep our factories well occupied for some little time to come. The export order book includes contracts with the Indian Government of a value approaching £30 million, for Hawker 'Hunter' fighters and two-seat trainers, and with Germany for 68 'Sea Hawks'. Avro Aircraft CF-100s are being delivered to the Belgian Government, having been selected in open competition with the leading interceptors of the type in the free world, and a large number of 'Orenda' engines are being supplied to Germany for use in F-86 'Sabres'. Brush has obtained orders for large diesel electric generating sets for French Guinea and two hundred generating sets for Tripolitania.

4. GUIDED MISSILE PROGRESS

The performance shown by Sir W. G. Armstrong Whitworth Aircraft Ltd.'s 'Seaslug', which is the first Naval guided missile to be developed in the United Kingdom, has been encouraging. It has been fired with success and, we believe, is the first surface-to-air missile in this country to be operated under Service conditions.

For the first time, a corner of the veil of secrecy has been raised in connection with Avro's activities in the weapons field, by the disclosure of its new stand-off bomb. This new weapon, capable of carrying a nuclear head, is the natural and logical armament of all the 'V' bombers. Other companies in the Group are making their contributions in this field.

5. NUCLEAR POWER DEVELOPMENTS

Hawker Siddeley Nuclear Power Co. Ltd. is now well established and the company has been examining a number of reactor system projects for land and marine use. It has also been carrying out research and development particularly in the metallurgical and chemical fields for reactor systems of advanced character. The company is now well placed for undertaking specialized reactor project studies.

In equal partnership with John Brown & Co. Ltd., a company known as Hawker Siddeley John Brown Nuclear Construction Ltd. has been formed to act as the focal point for the resources of both groups of companies in this field.

It must be emphasized that all this nuclear work is of a long-term and exploratory nature. Big results must not be expected in the immediate future.

6. PROGRESS IN CIVIL AVIATION

Work is well under way on the Armstrong Whitworth A.W.650 'Freightercoach'. Assistance from other Group companies is making a significant contribution to producing the aircraft quickly and its prospects for sales look promising. In addition, Armstrong Siddeley is now actively developing engines for the civil market.

7. SUPERSONIC INTERCEPTOR UNVEILED

In Canada Avro Aircraft unveiled the 'Arrow', a very advanced long-range supersonic interceptor.

8. ADVANCED NEW TURBO-JET UNVEILED

Orenda Engines has developed a supersonic turbo-jet, the 'Iroquois', which will be used in production versions of the 'Arrow' and, it is hoped, in other aircraft. An agreement has been signed for this engine to be manufactured in the United States by the Curtiss-Wright Corporation.

9. FIRST DIESEL-ELECTRIC LOCOMOTIVE DELIVERED

As the first stage of their policy of modernization British Railways have ordered a number of diesel-electric locomotives. Twenty have been ordered from The Brush Group Ltd. and the first of these is now in service.

10. SERVICE SUCCESS WITH CURRENT OPERATIONAL TYPES

The Group's current operational types—the Avro 'Vulcan' and 'Shackleton', Hawker 'Hunter' and Gloster 'Javelin'—have proved very successful in service with the Royal Air Force.

In the rest of my remarks I propose to ignore the activities of the Group about which I have spoken in previous years. This will allow me to deal in rather more detail with the new companies we have acquired and with which, in the nature of things, you will be less familiar.

NEW COMPANIES

And now to give you a picture which will help you to understand something of the new companies that have been acquired.

First I will deal with Brush.

The acquisition of The Brush Group of companies has added to your Group an organization engaged in the design and manufacture of diesel engines, diesel-electric generating plant and other power installations for industrial and marine purposes including transformers, turbo-alternators, steam and gas turbines, switchgear, diesel-electric locomotives, fusegear, gas and dual-fuel engines and free piston gasifyers.

BRUSH ARE POWER ENGINEERS

This company has nine manufacturing subsidiaries which have been integrated during the last twenty years into a rationalized organization of power engineers. The industrialization of nearly every country, but especially those in the vast under-developed areas of the world, depends largely upon the provision of electricity and other forms of energy by cheap and efficient methods. The Brush Group is making a useful contribution towards that end.

In recent years the exports of The Brush Group have exceeded 65 per cent. of its annual turnover.

The projects on which Brush is at present engaged include the supply of 160 diesel generating sets and equipment to the Argentine, free piston turbo-compressor plant for Australia, nearly all the stand-by diesel generating sets for the uranium mines being developed in the Blind River area north of Georgian Bay in the province of Ontario, Canada, and the diesel-electric equipment required by R. C. A. Victor Ltd. of Canada to provide a continuous source of supply for its micro-wave tele-communications scheme. In the home market, apart from the diesel-electric locomotives I have already mentioned, The Brush Group provided the motive power for the radio telescope at Jodrell Bank and also certain electronic equipment.

Lack of capital has restricted expenditure on research and development for some years and this in turn has impeded prosperity and progress. Your Board has already commenced to improve that situation so that The Brush Group can begin to take full advantage of its opportunities.

THE DOSCO STORY

Dominion Steel and Coal Corporation Ltd., known as Dosco, is our most recent acquisition.

There are many ways of looking at an organization so complex, widespread and diversified, and each reveals only a part of the story.

In terms of assets, it has a fully integrated iron and steel plant with about 20 per cent. of Canada's prime steel-making capacity, one of North America's important coal deposits, one of the world's largest iron ore properties, buildings, machinery and equipment, railways, shipyards and steamships.

In terms of employment, it means 25,000 people.

In terms of sales, it means a volume in excess of $200 million. Put this with A. V. Roe Canada's sales and you have a figure in excess of $400 million annually.

In terms of geography and economic impact Dosco is the biggest single economic unit in Canada's four Atlantic provinces and, in addition, has operations in Montreal, Toronto, and Windsor, Ontario.

Another measure of the variety of Dosco may be seen in its products and processes. Steel and coal, of course, are part of the Dosco name; but basic though steel and coal are, they are only part of the story.

Dosco produces, in addition, fabricated steel in a variety of shapes for special uses: rails for the railways of the world; bars, pipes, nuts and bolts and rivets; naval and commercial ships; railway freight cars; bridges, pylons and other steel structures; and an ingenious contrivance known as the Dosco Miner for mechanically digging and loading coal. Its output includes steel products ranging from bridges to coat hangers.

Dosco extends over 4,000 acres plus 300 square miles of ocean floor. It is engaged today in a greater variety of steel processing operations than any other Canadian company and its raw material comes almost exclusively from Canadian sources.

About ten years ago the company undertook a major modernization programme and therefore its plant and equipment are of a very up-to-date nature.

The acquisition of Dosco will have an important effect upon the status of A. V. Roe Canada Ltd. This company has now become one of the largest industrial organizations in Canada. It comprises more than 40 subsidiary companies and employs some 47,000 people. Thus A. V. Roe Canada Ltd. is playing a vital part in the economy of this young and vigorous country and will continue to fulfil an even more important role in the years to come.

GENERAL SURVEY

For several years we have been pursuing a policy of expansion and diversification and the last twelve months have been particularly noteworthy in this direction. Our interests now range, literally, from nails to supersonic aircraft.

The various companies brought into the organization this year must be assimilated and rationalized. But these problems are already being tackled and a start has been made on the interchange of ideas among the new companies. I am sure you will appreciate that, in bringing in Dosco and Brush, we are finding our technical and managerial resources extremely useful and our experience in rationalizing our aircraft and aero-engine businesses has stood us in good stead.

RECORD EXPORTS

It has been a year of considerable success in the export field, export sales constituting a record. This, I am sure you will agree, is highly satisfactory.

On the aircraft side of our business we have experienced reductions in orders due to the effect of the Government's White Paper on Defence. I must say, however, that the policies outlined in this were not entirely unexpected and therefore did not take us wholly by surprise. Thus our plans to nullify to some extent the effect on our factories were already in hand. We had broadened the base of our interests, were well embedded in the guided missile programme with weapons which promise well for the future and from which there will no doubt be interesting developments, and were engaged in finding other work for some of our plants. Armstrong Siddeley Motors, for example, had moved its diesel engine production to Brockworth, where previously only gas turbines had been made, and we had started work on Armstrong Whitworth Aircraft's civil 'Freightercoach'.

For many years the country will need some types of manned military aircraft in addition to guided missiles. Future requirements will not be for so many types or so many aircraft of each type. Never again will aircraft be needed in such vast quantities as were necessary for the last war, because of their larger size, greater carrying capacity and greater hitting power. The White Paper lays stress on the importance of having regard for peripheral wars and of building up a flexible defence system. A rapid and efficient military air transport system is vital to the country and will bring economies in other directions. If you can rush troops, arms and equipment to any part of the world in a matter of hours you can afford to do without many of the bases scattered all over the globe which were hitherto thought to be essential to our safety. This will enable us to cut down on the overall 'assets in stock' that we have previously had to duplicate so extensively.

RESEARCH IS VITAL

Research and development facilities throughout the Group are being continually improved and match anything to be found within the British aircraft industry. We have had the pleasure of carrying out research work for major aircraft and missile companies outside the Group.

It is, of course, vital that research should continue. Most of our understanding and experience of flight comes from its application to defence. Civil aviation has benefited considerably by the urgency and the resources with which the military problem has been pursued. We are now suddenly faced with the prospect of being deprived of this advantage. In many fields of aeronautics research seems likely to contract or run down.

Research is an insurance investment, and the premium is remarkably small. If the country proceeds with its research programme the time may come when we shall want to apply the knowledge we have acquired. And we shall then be able to make our choice, to take a decision which will depend on the circumstances prevailing at that time. Up to that point it will have cost us relatively little but it is essential for an adequate carpet of knowledge to be continuously created.

It is worth remembering that research on military aircraft often leads to valuable results which are not confined to aviation but may spread throughout many branches of engineering and bring benefits and advantages that were never foreseen when the research was originally started.

Aviation has set the pace for many other fields of engineering. During the last thirty or forty years the aircraft industry has been responsible for evolving techniques which have spread over the whole face of engineering. It is, I think, true to say that this industry has a greater experience of advanced technology than any other and I feel that the skills, techniques and experience it has acquired can be of great value to the country in many other spheres and provide great help to the national economy. We in the Group are putting our experience to work in other industries. If there is to be any loss of forward impetus in British engineering by reason of reduction in aeronautical research it must be made good in other ways if we are to maintain our national competitive ability.

AIRCRAFT INDUSTRY PROBLEMS

In the last few months rationalization of the aircraft industry has been a very fashionable subject for discussion. This is precisely what we in the Group have not only been discussing but actively practising for many years. Group aircraft factories comprise about 20 per cent. of Britain's aircraft industry and no other organization in the country can offer such a pooling of technical resources, design capacity and production facilities as exists in the Hawker Siddeley Group.

In recent months astronautics, the science of locomotion outside the atmosphere, has been shown to be a subject which no major country can afford to ignore, for reasons both of prestige and safety. It will cost a lot of money, perhaps more than most individual free countries could afford by themselves, but I would like to see much greater co-operation in the science among the countries of the western world.

Since our last meeting two new directors have joined the Group Board. Mr. Hugh G. Herrington, Managing Director of High Duty Alloys Ltd. and a director of several other Group companies, has given valuable service to the Group for many years, having been with the company since 1930. Our other new director, Mr. Geoffrey C. R. Eley, is Chairman of The Brush Group and a director of the Bank of England and of several well known companies. The Group cannot fail to benefit from the guidance of these two new directors in the years to come.

OUTLOOK FOR FUTURE

And, finally, what is the future outlook for the Group? We have, as you have seen, expanded and diversified considerably. We have become one of the leading industrial organizations both in the United Kingdom, and in Canada. Our products and sales activities reach every quarter of the globe. Although we have diversified we are still in the aircraft industry; and we mean to stay in it. Our aircraft factories have work which should keep them busy for some time and we hope that civil aviation and other work will keep them occupied after that. But, in addition, as opportunity arises, we shall diversify still further.

The future of the aircraft industry is still uncertain. At the present moment, apart from the B.E.A. requirement for a medium range turbo-jet aeroplane, we can see not a single civil aviation order from the British Corporations and not a single new Government specification for a military aircraft. This year we have spent over £2,000,000 on special development projects. These are our own private ventures and are not backed by Government financial assistance. In the changing conditions of the aircraft industry it is essential that such development and experimental programmes be carried out and these are likely to prove more costly as we progress further.

We are still engaged on defence contracts and have made strenuous efforts to broaden the Group's interests to establish a sound base for future earning. Competition is increasing, profit margins may fall but good products should always command a market.

We look forward with confidence in our ability to make good profits in the future. If the world is to go on trading, as obviously it must, our business is now so widespread that we must take a part in it. Our products range from quite large naval vessels, steel buildings and bridges to locomotives, diesel engines, heavy electrical equipment, aircraft and aero-engines. I think you will agree that with such an industrial spread we should be able to weather any storm which may arise with a fair degree of success.

May I ask you to join me in expressing our sincere thanks to the executives and employees who have made this such a successful year for the Hawker Siddeley Group.

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ANNOUNCEMENT

NAMED DIRECTOR

PIERRE P. DAIGLE

Mr. C. H. Neroulsos, President and Managing Director of International Paints (Canada) Limited, announces the appointment of Mr. Pierre P. Daigle to the Board of Directors of International Paints (Canada) Limited and A. Ramsay & Son Company.

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Years of Experience from Coast to Coast

Your City Boss: Worth $20,000?

That and more—since cities can't get men . . .

By JACK McARTHUR

MONTREAL (Staff) — How much is a good chief executive worth to a Canadian city?

The answer: Anything up to $20,000, depending upon the city, its size and financial resources.

Is this enough?

The answer: Apparently not, because cities cannot find top administrators to take their No. 1 jobs; and expert observers of urban municipal affairs say cities are changing to city manager-type systems more rapidly than the supply of good municipal executives allows.

This means that if municipal government of the city managertype is beneficial—and the consensus seems to think it is—it is being hindered by lack of staff.

The people and their elected officials expect much of the senior urban municipal executive.

He must—or, at least, should—have good knowledge of law affecting municipalities, of public utility operation (often of hospital operation), personnel problems and labor contract negotiations, public finance, roads, engineering, taxation, many other aspects of local government.

Saskatoon's Case

The City of Saskatoon currently is inviting applicants for the position of city commissioner, top executive post in what amounts to a modified city manager setup.

It lists these desirable qualifications:

". . . A person who has extensive background . . . in municipal administration and who has already attained the senior departmental responsibility and earning power.

"Duties include general supervision of administrative, financial and utility operations; membership on several quasi-legislative boards; advising City Council on a wide variety of mattters relating to fiscal, public safety, administrative and utilities policies; and generally . . . to act as chief administrative officer . . ."

Saskatoon probably hopes to pay $10,000, likely will have to pay more.

And even then it may not get the man it wants.

Certainly private industry would not expect to get a man of such standing for so little.

Here is the pattern of top-level salaries in municipalities with populations of 100,000 or more:

Vancouver: $20,000 for chief administrative officer.

Edmonton: $15,000 for city commissioner.

Calgary: $13,500 for city commissioner.

Winnipeg: No listing for chief administrative officer; $9,312 to $10,644 for municipal clerk; $13,956 to $17,436 for city treasurer and commissioner of finance.

Windsor: No listing for chief administrative officer; $8,982 to $11,065 for municipal clerk; same for municipal treasurer.

London: No listing; $9,600 for municipal clerk; $7,500 for municipal treasurer.

Hamilton: No listing; $9,750 to $13,650 for municipal clerk; $10,300 to $14,500 for municipal treasurer.

Toronto: No listing; $11,000 to $15,400 for municipal clerk; $12,100 to $16,500 for municipal treasurer.

York Township: No listing; $11,500 for municipal clerk; $10,800 for municipal treasurer.

North York Township: No listing; $10,300 for municipal clerk; $11,800 for finance commissioner.

Scarborough Township: No listing; $5,000 to $8,500 for municipal clerk; $7,000 to $12,500 for municipal treasurer.

Ottawa: No listing; $8,852 for municipal clerk; $11,192 to $15,192 for city treasurer-commissioner of finance.

Montreal: $20,000 for director of services.

Quebec City: $12,600 to $15,000 for director of services.

Halifax: $10,320 to $13,040 to city manager.

That's the picture for Canada's major urban and suburban municipalities. The figures are compiled in the 1957 survey of wages and salaries by Canadian Federation of Mayors and Municipalities.

Almost 50 smaller cities have managers or chief executives of some kind, with salaries ranging from $4,000 to $15,000. Some of these double up as city engineers, solicitors, finance directors or treasurers.

In the case of the 100,000-or-more communities, top administrators supervise operations employing from 525 (for York Twp.) to 13,340 (Montreal).

Major Chunk

Municipal expenditures add to many millions in each case. Together, they account for the major chunk of Canada's $750 million annual urban municipal expenditure on current account.

And, for most communities, fast growth rates mean planning problems, make the decisions of administrators today of immense importance for the future.

There may be no chance for recovering fully from mistakes made now.

This is important to business and industry because they are affected directly or indirectly by urban municipal policy.

That's why cities in the last few years have become preoccupied with finance-and-planning considerations.

And it's why they are giving increasing thought to the method of changing policy to action.

The chief mechanic in this transformation is the senior urban administrator.

But, so far, these are in very short supply.

There is insufficient money and prestige involved to lure men from private business; and, in many cases, insufficient to keep promising civic administrators from going into private business.

Share Exchange Said Effective

The exchange offer whereby shareholders of **Canadian Export Gas Ltd.** were given the right to exchange their shares for shares of **Canadian Prospect Ltd.** in the ratio of 2½ shares of Canadian Prospect for each outstanding share of Canadian Export Gas has been declared effective by Canadian Prospect.

More than 92% of the Canadian Export Gas shareholders have elected to accept the offer. Canadian Prospect has agreed to extend the offer to March 10, 1958.

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Super Torch

In production: A flashlight claimed to have quarter-mile night time penetration. Although power has been increased, size has been kept to minimum. Measures 12¼ in. long and weighs 22 oz.

* * *

Vapor Detector

Available: A portable kit which it is claimed can detect poisonous lead vapors. Consists of air pump, filter disks and reagents. Reaction is speeded by pump that forces air through treated filters to check for contamination. Device can be carried by a shoulder strap.

* * *

Terylene Boat

From the U. K. comes news of an inflatable three-man craft for use as a yacht tender, family boat or life raft. The neoprene-proofed Terylene fabric used in construction is said to be weather and oil resistant. Almost impossible to capsize and weighs only 15 lb. Two models have strengthened transom to take outboard motor.

* * *

Production Micrometer

On the market: A production micrometer which sorts and measures 10,000 miniature parts per hour. Maker claims it will pay for itself within weeks by speeding production. Cost in U. S. is $1,250.

* * *

Driving Safety

To relieve driving fatigue: An adjustable backrest. Made with rigid back panel. Openings allow adjustment of the three foam rubber cushions to individual needs.

* * *

Travel Convenience

Now on the market: A coat hanger which can be adjusted to individual's size. Weight of garment keeps it in place. Will hold two pairs of trousers. By removing small pin it may be folded for travelling.

* * *

Ultrasonic Cleansing

Recently developed dentist's tool makes possible ultrasonic tooth cleaning. Tip is held against dentures and vibrates 26,000 times per second. Maker claims this loosens stains. A stream of lukewarm water washes away deposits.

* * *

Pocket Recorder

For the travelling executive: A midget tape recorder which weighs only three lb. Records or plays back for a full hour. Can be slipped into pocket or briefcase. Sells for $249.50 in U. S.

* * *

Polyethylene Packages

Makes the package and trims it—all in one operation. That's claim for "thermal impulse" heat sealer. This electrically operated model uses two rolls of polyethylene. Advantages are said to include: smaller inventory, no waste of material and no warm-up time. Suitable for most packaging needs.

* * *

Boiler Cleanser

For maintenance of boilers and other industrial equipment **Alchem Ltd.**, Burlington, Ont., announces development of two powerful cleaning agents. They are blends of both organic and inorganic acids. Also, they are said to contain superior corrosion inhibitors which protect all metals found in industrial equipment.

* * *

New Literature

From **Acme Steel Co.**, 135th Street, Chicago, 27, a 16-page booklet on metal-stitching machines. Method is said to be an effective fastening technique to simplify design problems. Claimed to save time and cut costs without sacrificing quality.

Dieting May Tame The Spirit

Could a change in diet be all that is necessary to cure an alcoholic?

That is the possibility that is being studied at present by several U. S. research foundations.

Workers at one of them, the Biochemical Institute of the University of Texas, believe they have put their thumb on a single chemical, glutamine, that can make all the difference to man's thirst for strong liquor.

Glutamine belongs to the large group of substances known as amino-acids.

It is contained in many foods, including plant juices.

The theory that diet might have a strong influence on a man's craving for alcohol was put forward by Dr. Roger Williams, president of the American Chemical Society and head of the Texas foundation.

With two other workers, Dr. Lorene L. Rogers and Dr. R. B. Felton, he started a search for the right substance with the aid of rats.

These were free to drink either water or water laced with alcohol.

Their consumption of alcohol went down at once when they were fed with an abnormal amount of glutamine. Other amino acids had no effect.

The next step was to try it out on humans. It seemed to work.

Included in the early tests on humans were 20 alcoholics at the M. D. Anderson Hospital in Houston, Texas.

Bigger scale tests are now being carried out at the Medical College of Virginia.

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Sell the retailer on your products and the consumer is already half sold. This is true in whatever market you're selling; it's doubly true in Hometown Ontario. In those centres outside the Big Cities, the retailer is more than the man behind the counter, he's usually neighbour and friend, as well. His advice on product quality and value carries weight.

One way to enlist his enthusiasm in selling the "billion-dollar-plus" Hometown Ontario market, is to support his merchandising efforts in the local daily paper. This is the medium which experience has taught him gets results in his market, and he spends almost his entire advertising budget in it.

Advertising in Ontario's 27 local daily newspapers enables you to get dealer backing at the point of sale — where it really counts. And the local dailies give added power to your sales message. Because they sell the most saleable product in the world — local news — they can help you sell too. They are the best read, most talked about, most influential publications going into the prosperous homes of Hometown Ontario. Put them to work for you. See your advertising agency.

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Who Will Provide Funds For New Homes Target?

Money market will decide fate of 1958 housing record aims . . .

By CLIFFORD FOWKE

Prospects of a record number of new housing starts in Canada this year.

A possible concerted effort by building and government authorities to solve the problem of the rising costs of servicing land for housing.

These were the highlights of the three-day convention of the National House Builders Association in Toronto last week which sent more than 300 delegates back to their offices across Canada in a more optimistic mood than they came but still with a number of questions unanswered.

And the biggest of these questions was: Where will the funds come from for the 140,000 starts which Federal Minister of Public Works Howard C. Green said would be the Government's target for this year.

The fall and winter spurt in starts had put the builders in a much better frame of mind than they were at their 1957 conference when some of the extreme pessimists were talking of a 50% cutback in homebuilding.

But they felt that the wave of activity on which they were riding, sparked by the $400 million in direct lending funds provided by the Federal Government, was a temporary condition.

It would keep things rolling till spring but what then?

The Government was unlikely to continue pouring money into the new housing field, they thought, and there were no definite signs that the banks, insurance companies and other lenders would do better than in 1957.

Question of Funds

Mr. Green's announcement that the 1958 target in housing was the highest ever number of starts came as a complete surprise. He gave the figure at the convention's closing banquet where he spoke without a prepared text.

"I don't say that target will be reached but this is the aim and I hope that number can be reached," he said.

"It will be a record for Canada and compares with the present highest total in any year of about 138,000 starts in 1955."

For any further information, the builders had to wait till he repeated the announcement in the Commons next day.

That was when he said that about $90 million remained of the $400 million fund and added: "If further money is required, the Government will put it forward."

Total cost of 140,000 housing units on an average of $10,000 mortgage on each would be about $1,400 million.

But although Government may provide more funds for direct lending, the builders are pinning their hopes for the bulk of their production on the normal lending sources.

It is now believed that an expected leveling-off this year in industrial and commercial building may swing substantially more funds into the housing field than were available from normal sources in 1957.

There is also a belief that because lower-cost houses are selling so well now the lending institutions will lose some of their reluctance to finance new homes in that price range.

Possibility of joint action by homebuilding and government authorities to solve the problems of the initial cost of servicing land for housing was underlined at a panel discussion sponsored by the Urban Development Institute of Ontario and attended by developers, builders, lenders and government representatives.

Most speakers agreed that many municipalities, because of financing difficulties, were unable to meet these costs initially, but several objected strongly to:

- A trend by local authorities to require services to be put in by the developer beyond the needs of his subdivision.
- To the imposition of additional levies on a development.

These extra costs, it was pointed out, were passed on to the home purchaser and added substantially to the cost of a house.

The problem was a major topic at the national housing conference held last winter in Ottawa and is expected to be further considered when the conference reconvenes this spring.

There is considerable support for the view that the problem should be tackled from a national and provincial basis with the distribution of tax revenue coming under review.

Complaints by the developers and builders also included the extra costs and risks caused through delays in registration of plans and difficulties caused by certain zoning bylaws.

Underlying most of the discussion was the effort being made across Canada to meet the growing demand for lower-cost housing. T. B. Pickersgill, B. C. supervisor, Central Mortgage & Housing Corp., thought it was false economy for a rapidly expanding town not to consider services but added there were those services which were an absolute must and others which could be described as frills.

A Halifax delegate, whose firm has a waiting list of 40 names for $11,000 five-room detached homes, thought there could be more emphasis on semi-detached and row housing to cut the cost of services.

W. M. Thompson, **Monarch Construction Ltd.**, president of UDIO, said difficulties in financing services was forcing the development of land into fewer and fewer hands every year.

Angus McClaskey, **Don Mills Developments Ltd.**, spoke of the wastage of land in major population centres through the trend for each family to take up more and more ground and tendency of local authorities to zone for assessment benefits.

A. W. Farlinger, **Farlinger Development Ltd.**, said delays in registration of plans — he quoted a two-year hold-up in one Metro Toronto case — were imposing fantastic risks on the land developer, leaving him to guess what the housing market would be like two years from the date he launched a project. He mentioned 100 ft. lots in one part of Metro Toronto which cost $1,000 raw and $6,000 for services required by the municipality.

Jules E. Fortin, **Dominion Mortgage & Investments Association**, spoke of the financing problems which municipalities faced as well as the developers.

He said: "Today, I think we are very close to having to attempt to differentiate between 'nice' things and necessary things.

"We are also close to the admission that single housing for the average person is not within our means as conditions are today."

Montreal Man Heads Canada Home Builders

Maurice Joubert, Montreal, well-known builder and land developer, was elected president of the National House Builders Association for 1958 in succession to L. E. Wade, Calgary.

Mr. Joubert is mayor of Duvernay, a new 10,000-acre townsite on Ile Jesus which was largely developed by his **Hauterive Development Corp.** Duvernay was incorporated as a town earlier this month.

New first vice-president of NHBA is Rex Heslop, Georgetown, Ont., and second vice-president is Graham C. Lount, Winnipeg. Campbell C. Holmes, Toronto, was elected treasurer and A. R. Bennett, Calgary, secretary.

New regional vice-presidents are: Robert Ford, B.C.; D. J. Cairns, Prairies; Hy Muroff, Ontario; Irving Magil, Quebec; and E. Sutherland, Atlantic Provinces.

Nova Scotia's Building Off, Trade Firm

From Our Own Correspondent

HALIFAX—Lay-offs at some steel plants in the area and a drop in construction work were big factors in a declining employment picture in Nova Scotia last month.

An end-of-the-month report by R. P. Hartley, regional director of the Unemployment Insurance Commission, gave this run-down of the position:

—**In most areas** of the Atlantic region pre-Christmas trade volume compared favorably with last year.

—**Employment in woods** operations were down because of large inventories and unsettled market conditions.

—**Some 60% more construction** workers were seeking work than at the same time last year.

—**While the Sydney** steel plant and two in Pictou worked at capacity during December, there were layoffs at the steel plants in Trenton, three plants in Amherst and one in Moncton. There were reduced staffs at the car plant in Trenton and the Halifax shipyards.

—**Unfavorable weather** curtailed employment in the fishing industry, but food, beverage and confectionery plants operated steadily.

—**The Port of Summerside** completed a season of unusual activity, and while conditions on the Halifax waterfront were bad prospects looked brighter for the winter months. Coal mines maintained high production.

Veterans Finish Low-Rental Units

The first stage is completed and tenants are in at the NHA low-rental housing project built by the Toronto district of the Canadian Legion for low-income veterans or their widows.

Located on Bathurst St., just south of Finch Ave., the development presently consists of 48 apartments, contained in six, two-story buildings. Future plans call for another 76 units on the same site.

Contractor for the project was **Saracini Construction Co.** and total cost of land, construction and equipment was around $300,000. The bachelor and single-bedroom suites have a pushbutton electric stove and a combination refrigerator-freezer, and each is equipped with an electric kettle, a present from the contractor.

Rents range from $35 to $44.75 monthly and maximum annual income for tenants is from $2,520 to $3,222.

Chamber Sets Date For Celebration

Chamber of Commerce Week will be celebrated across Canada April 13-19, President Ralph C. Pybus of the Canadian chamber has announced.

Mr. Pybus released a message from Prime Minister Diefenbaker endorsing the chamber movement which "plays a vital role in the life of our country at the community, provincial and national levels."

"Boards of Trade and Chambers of Commerce," Mr. Diefenbaker said, "are closely identified with the interests of all because through the united and voluntary effort of business and community leaders, they help to create conditions favorable to our future growth and prosperity."

There are more than 750 Boards of Trade and Chambers of Commerce in Canada.

$6 Million IAC Debentures Sold Quickly on 5.54% Basis

MONTREAL (Staff)—A new issue of $6 million 5½% 20-year debentures of **Industrial Acceptance Corp.** has been heavily oversubscribed.

It was offered at 99½ to yield about 5.54% by a syndicate headed by **Greenshields & Co.** and **Wood, Gundy & Co.**

Debentures are dated Feb. 1, 1958, and mature Feb. 1, 1978. Proceeds are for general corporate purposes.

A purchase fund will be provided, with company obliged to use in each year 1959-1977 an amount equal to 4% of principal for purchase of debentures to the extent available at a price not more than 99½% of principal plus accrued interest.

Debentures will be redeemable in whole or part at company's option at 105, less ¼% for each expired full year. IAC will not redeem before Feb. 1, 1968, if it has issued debentures bearing a rate of less than 5½% for the express purpose of redemption of these debentures.

IAC consolidated net earnings for first three quarters of 1957 were $6.8 million, compared with $8.6 million for full year 1956, $7.4 million for full year 1955.

With one exception, company has shown improved earnings in every year 1947-56 inclusive, beginning with $620,497 in 1947.

In the 10 years ending Sept. 30, 1957, IAC shows credit losses of less than one sixth of 1%.

After current financing, outstanding capitalization consists of $60.9 million debentures ranging from 4% to 6% and due at various dates from April 1, 1969, to Feb. 1, 1978; $9.5 million 4½% cumulative redeemable preferred shares, $100 par; $4.9 million 4½% cumulative redeemable preferred shares, $50 par; $5 million 5½% cumulative redeemable preferred shares, $50 par; 2,701,257 npv common shares.

Consolidated assets at Sept. 30, 1957, were $474.8 million.

CCA To View Prospects

More than 1,000 delegates from across Canada are expected to gather in Quebec City this weekend for the 40th annual convention of the country's biggest construction organization — the Canadian Construction Association.

In the course of the four-day conference, every facet of the $6.9 billion industry which represents about 20% of our gross national product and has a direct peak labor force of over 600,000, will be reviewed.

While housing, road construction and 1958 prospects will loom large in the discussions at the four-day conference, other items coming up for review will include tariffs and sales tax, labor relations, wintertime construction and apprenticeship problems.

There will be a report on a survey of bid depositories which are now established in 12 cities with five other cities considering the step.

The spotlight will also swing on to the construction equipment position.

McCulloch Reduce Chain Saw Prices

McCulloch Co. of Canada, Toronto, is cutting prices on seven of its 11 chain saws. These are being reduced up to 30% immediately, company says.

This is the second reduction since it began production in Canada in September. In the fall prices were cut on the four models not included in the current revision.

Its new $2.5-million plant is located at Etobicoke, Ont. Company is a subsidiary of **McCulloch Motors Corp.**, Los Angeles, Calif., one of the world's largest chain saw manufacturers.

Real Estate Licensing Act Drafted for Quebec House

A real estate licensing act, prepared with the full co-operation of the Corporation of Real Estate Brokers of the Province of Quebec is ready for presentation to Quebec Legislature.

MARCEL R. AUDETTE

Its object is to provide uniform standards of ethical practice in real estate business.

This was one of the highlights of the report by retiring president T. G. McAthey at the annual meeting of Montreal Real Estate Board.

New president is Marcel R. Audette. D. S. Keast was elected vice-president and J. Des Rosiers was re-elected treasurer.

McAthey predicted a good year in 1958 for real estate business. He said that last year the Montreal and suburban real estate market continued very active except for a slight falling off towards the end of the year.

For the 12 months ended Sept. 30 last, sales volume was 14% higher than in the corresponding period the previous year with sales totalling $541.5 million against $480 million.

The number of sales was down to 24,476 from 25,100 the year before.

Through the Montreal Board's co-operative system, he said, a giant stride forward was made in 1957 in the number and volume of properties sold on the co-op plan. Volume of co-op sales was almost double that of 1956 with transactions totalling $17 million against $9.5 million the previous year. The 1957 co-op sales were nearly 40 times greater than in 1952 when the co-operative system was introduced in Montreal.

Montreal Real Estate Board now has a total of 174 member firms.

CNR Boosts Winter Work

A supplementary winter works program, in addition to the recently-announced auxiliary works programs, is being put into effect immediately by **Canadian National Railways.**

A CNR statement this week said the decision was made in response to an appeal by the federal government which is being directed to industry generally.

All supervisory officers have been directed to explore ways and means of organizing supplementary works programs in local areas throughout Canada.

This is aimed at keeping the existing labor force employed and will not mean new hirings.

The accelerated works programs announced last month are expected to provide employment for about 600 men on projects estimated to cost $3.5 million.

Research House Opens Door for $3,000 Earners

How to build a three-bedroom detached house with a National Housing Act mortgage for which a prospective purchaser earning less than $3,000 a year can qualify.

The low-cost target which the National House Builders Association set for itself last May in co-operation with Central Mortgage & Housing Corp. and the building division of the National Research Council was not as specific as that.

But that is what has come out of the experimental project.

Including a lot costing $500, a living area of around 900 sq. ft., some slight deviation from CMHC standards, and a profit to the builder of $400, this is how the budget worked out:

Cost of house	$8,000
Down payment	$ 800
Mortgage and insurance	$7,200
Monthly carrying charges	$46.08
Taxes	$14.00
Annual salary required	$2,700

which, because of its price, many builders believe there is a near inexhaustible market.

The big question mark was in the price of the lot. A $500 lot is unobtainable in many centres. It could range up to $2,400 in price for that type of house.

But the NHBA Research Committee which sponsored the project did not concern itself with prices of land, financing or any element that was non-structural.

The aim was to develop a low-cost house that would incorporate all the cost-cutting features the builders could devise and which would still remain reasonably close to the building standards.

No particularly revolutionary products were used, nor any freak methods of construction. All the requirements of the National Building Code were met.

The location was Preston, Ont., and another experimental low-cost house is now under construction at Dartmouth, N.S.

The Preston house was built by George Hipel who volunteered to produce a set of low-cost housing plans and these were approved by government housing agencies.

Last summer, Hipel, with Sam Gitterman of CMHC, Walter Ball of NRC, and W. M. McCance chairman of the NHBA research committee, worked out the final details. CMHC arranged the mortgage financing on a direct loan basis.

Plywood was used extensively throughout the house and it was in the use of this in sheets thinner than required by CMHC that most deviation occurred from CMHC standards.

But there is indication, states NHBA, that new amendments to the standards coming up shortly will accommodate that and other minor deviations purely as a result of this research.

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E. C. Peterson, of **James Lovick & Co.**, Vancouver, has won a first prize worth $1,000 for his entry in a copywriters' contest sponsored by Time Magazine. He was competing against 1,233 contestants from 35 states and six provinces.

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ANNOUNCING

Important appointments in Canadian Industry, Finance Business and Government.

Bissell Carpet Sweeper Co. (Niagara Falls) — O. E. Loberg, heads the first Canadian management team as vice-president and general manager; E. R. Edwards, sales manager; Frank Harrold, manufacturing manager.

British Petroleum Co. (Toronto) — Neville A. Gass, has been knighted by The Queen, in the New Year's Honors List.

Canada Permanent Trust Co. (Toronto) — John W. Millar, manager; James D. Hepburn, Berkeley Hynes, assist. managers.

Canadian Crittall Metal Window Ltd. (Toronto) — R. E. Jacob, appointed president and general manager; F. S. Vickery, secretary-treasurer.

Canadian General Electric (Toronto) — I. F. McRae, elected chairman; H. M. Turner, has relinquished the chairmanship but will remain an active director.

IRA G. NEEDLES

has been elected president of the Ontario Safety League.

Canadiana Co. (Toronto) — J. A. McBride, appointed vice-president and manager; K. L. Brown, vice-president sales; G. A. Dobbin, in charge of recruiting sales staff.

Canadair Ltd. (Montreal) — A. J. Lilly, appointed director, sales; Louis S. Adamson, director service, parts, sales, special projects; Karl H. Larsson, director commercial aircraft sales; Arthur G. Sims, director military aircraft and missiles sales.

Carrier Engineering Ltd. (Toronto) — Joseph B. Parker, appointed sales manager central and western districts.

Chemipulp Process Inc. (Watertown N.Y.) — Andreas Christensen, has retired as production manager from Kimberly-Clark mill at Kapuskasing to extend Chemipulp operations in Canada and the U.S.

Chris Yaneff Ltd. (Toronto) — William Freedman, appointed copy director.

Dominion Bridge Co. (Lachine) — G. H. Midgley, heads sales policies; J. P. Borbey, sales manager eastern division; G. N. Martin, assist. sales manager.

Dominion Rubber Co. (Montreal) — Frank C. Bull, takes over as regional credit manager.

Eaton Automotive Products Ltd. (London) — W. R. Leal, appointed secretary-treasurer.

Enheat Aircraft (Ottawa) — Frank G. Wait, appointed assist. to vice-president. Enheat is the aircraft division of Enamel & Heating Products Ltd.

Hygrade Containers Ltd. (London) — Edward Wilkins, retires as general manager and is succeeded by J. T. Woolley.

IGA Food Stores (Chicago) — Glen R. Curtis, appointed vice-president of all perishable departments at the company's headquarters.

Irish Export Promotion Board (Montreal) — Charles D. Kelly, appointed manager. He succeeds George P. McVitty.

John McKenney Bingham (Toronto) — William S. Whitehead, appointed account executive.

Julius Kayser & Co. (London) — Burt Myron, elected director of the U.S. company. He still heads the Canadian Kayser company.

J. Walter Thompson Co. (Toronto) — Robert Wallace, appointed account representative.

Kroy Oils Ltd. (Calgary) — Cody R. Spencer, appointed president.

L. H. Co. of Canada (Hamilton) — M. E. McLaughlin, transferred to Saint John as district manager; H. A. Miller has been transferred to Ottawa in the same capacity.

Locke, Johnson & Co. (Toronto) — S. Gren. Walker, appointed vice-president.

Maclean-Hunter Publishing Co. (Toronto) — Ralph Allen, appointed director. He is also editor of Maclean's Magazine.

Maxwell Ltd. (St. Marys) — Howard T. Martin, appointed general sales manager.

Neptune Meters Ltd. (Toronto) — W. O. Randall, appointed vice-president and general manager.

Ontario Hydro (Toronto) — W. H. Edwards, takes over as manager West Central region with headquarters in Hamilton.

W. C. Pitfield & Co. (Toronto) — A. E. Borlase, appointed treasurer.

J. C. CLEMES

has been appointed general manager of Simpson's Toronto store.

Proctor & Redfern (Toronto) — Roy G. Tredgett, has been appointed full partner.

Purdue Frederick Co. (Canada) Ltd. (Montreal) — James St. Clair Moffat, appointed vice-president and manager.

Roneo Co. of Canada (Toronto) — T. P. Gregor, appointed director and general manager.

Shell Oil of Canada Co. (Toronto) — R. F. Winfield, takes over as controller. The position was formerly held by J. A. Ross.

Simpsons Ltd. (Toronto) — G. Allan Burton, appointed vice-president and managing director.

Simpsons Ltd. (Toronto) — J. C. Clemes, appointed general manager.

Standard Railway Equipment Manufacturing Co. (Lachine) — Denys H. Bryon, appointed sales manager, boat division.

The Austin Co. (New York) — Clayton L. Foster, appointed vice-president for international sales. Most of his work will deal with Canadian firms and projects.

Young & Rubicam (Toronto) — W. E. Ecclestone, appointed manager of marketing. This is a new post at the Goodyear Tire & Rubber Co. of Canada.

Quebec Forestry Association Inc. (Montreal) — Robert Raynauld, appointed president. He is also editor of the French farm magazine LA FERME.

Ontario Safety League (Toronto) — Ira G. Needles, appointed president. He is also president of B. F. Goodrich Canada Ltd.

NEW TCA SERVICE

Starting this spring, Brussels and Zurich will be added to **TCA's** European points of call which now include London, Shannon, Prestwick, Paris and Dusseldorf. The services start April 2 for Brussels, May 17 for Zurich.

Hungarian Relief Cost $655,000

A final statement of receipts and disbursements for the Canadian Hungarian Relief Fund has been released by the Canadian Red Cross Society in Toronto, as administrator of the fund.

The statement shows that $623,221 was contributed voluntarily to the fund by individuals and governments.

Expenditure by Canadian Red Cross came to $654,978, as of Oct. 31, an over-expenditure of $31,757. This was reduced by a sales tax refund of $12,442 issued in December and it is expected that it will be further reduced by other such refunds.

Canadian Red Cross spent $299,978 of the Canadian Hungarian Relief Fund in Canada for the purchase of clothing, drugs, medical supplies, blankets, bedding, toilet articles, overnight bags, canned meats and infants' foods.

Canadian Red Cross was requested to handle administration of the Canadian Hungarian Relief Fund when it was organized in November, 1956, under the co-chairmanship of G. S. Thorvaldsen, QC, Winnipeg, and G. G. Temesvary, Toronto, president of the Canadian Hungarian Federation.

Electronics Head Resigns To Campaign for Defense

MONTREAL (Staff)—**Canadian Aviation Electronics Ltd.** President K. R. Patrick resigned this week.

His plan: To campaign for greater emphasis on electronics in Canadian defense and economics.

The move came as a surprise in business circles. Patrick formed the company 11 years ago. He built it into Canada's biggest electronics concern.

Patrick holds 20% interest, control is in the hands of **North American Management Corp.**

Throughout his wartime RCAF career and later in business Patrick was in and out of "hot water" for outspoken statements on defense and electronics policies. Now, he feels, he will be free to say what he wants.

He intends selling his 20% holding, but will remain a director and adviser to CAE.

During the next six months, Patrick told **FP**, he plans to carry out an extensive study of electronics problems.

MORE TOBACCO

Rothmans of Pall Mall Canada Ltd. will increase its flue-cured tobacco purchases from six to 8.5 million lb. Patrick O'Neil-Dunne, world technical director, said the decision stemmed from increased demand for cigarettes plus a desire to support the auction system of tobacco-selling. Ontario has a $70-million tobacco crop and there has been dispute on how it should be handled (**FP**, Jan. 18).

Shell Offering More Fellowships

The number of **Shell of Canada** "Merit Fellowships" to be awarded to secondary school science and mathematics teachers annually will be increased from six to 10 in 1958.

Teachers receiving the fellowships attend lectures and laboratory sessions at either Stanford University, Stanford, Calif., or Cornell, Ithaca, N.Y.

They receive tuition and living expenses, travel allowance and $500 in cash to help offset the loss of other summer earnings.

The program was set up last year by Shell.

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ENGINEERING GRADUATE, married, age 42, desires responsible executive position. Presently holding senior sales position with leading international manufacturer of industrial products. Experience also includes production, purchasing, engineering — mainly chemical field. Box 557, The Financial Post, Toronto.

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WANTED — Sales Manager for white goods appliance manufacturer salary $10,000 plus. File #1608.

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WANTED — General Manager for iron and steel manufacturing company, salary $25,000, plus, age 40-50. File #1606.

WANTED — Agency Supervisor for Saskatchewan Life Insurance Co. 5 yrs. experience age 35 to 40 years. Salary plus override. File #1607.

WANTED — General Sales Manager for nationally known furniture manufacturer, salary $15,000. Plus. File #1631.

WANTED — Civil Engineer for petroleum company to plan, supervise, retail gasoline outlets. Salary to $8,500. File #1626.

WANTED — Senior sales representative to sell electric motors to the industrial trade. Salary and commission. File #1643.

WANTED — Sales Representative for manufacturer of heating equipment scales, pumps, earth moving equipment. Salary commission. File #1615.

WANTED — Electrical engineers for aviation electronics mfg. firm Montreal. Salary open. File #1620.

WANTED — Assistant to general sales manager of electrical products firm, Montreal. Bi-lingual — age to 35. Salary open. File #1621.

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BRITISH WEST INDIES FEDERATION

A Toronto Sales Engineer establishing office in Kingston, Jamaica, offers services to manufacturers, exporters and importers.

Write box 555, The Financial Post, Toronto

MARINE SALES ENGINEER FOR DIESEL ENGINES

Applicants should be bilingual and prepared to travel extensively in Canada. Write giving full details of experience and salary required to Canadian Lister-Blackstone Ltd., P.O. Box 174, Postal Station H, Toronto.

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Prefer C.A. or C.P.A.

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Fourteen years experience in industrial and consumer sales. Sales Trainer and supervisory experience. Familiar with Eastern and Western Canadian Markets, Phone Melrose 3-3143 or write

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Our employees know of this ad.

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Wanted by a member of the Toronto Stock Exchange and the Investment Dealers' Association. Should be capable of taking charge of bond department. A knowledge of foreign correspondents and institutional buying important. All enquiries in strictest confidence.

Apply Box 533, The Financial Post, Toronto

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Well known American manufacturer of contracting and mining equipment has attractive opening for sales representative for Canada. Good starting position, with excellent opportunity for advancement. Should be familiar with selling through distributor organizations.

Box 560, The Financial Post, Toronto

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Box 558,
The Financial Post, Toronto

SALES EXECUTIVE available

Fourteen years sales administrative experience in field of durable goods through wholesale, department, retail, premium and industrial accounts across Canada. Age 42, locating in Toronto and seeks executive post where extensive knowledge of market, sales promotion ability and semi-technical know-how an asset.

Box 564, The Financial Post, Toronto

DISTRICT CREDIT MANAGER

A large national organization requires an ambitious man 30-40 years of age with Wholesale Credit and Office Management experience, preferably with a degree from a Credit Association.

Should be fluently bi-lingual.

This position offers a good opportunity for advancement with excellent medical, insurance and pension benefits.

Reply in confidence, giving full particulars of age, experience, education and salary expected to:

Box 537, The Financial Post, Toronto

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WE NEED a good man at once and we are willing to pay top earnings. We prefer someone between 45 and 65 . . . who can make auto trips for about a week at a time . . . and can call on small town industrial and rural property owners.

WORTH $12,000.00

Our top men draw exceptional earnings up to $12,000 in a year. This opening is worth just as much to the right man. We take care of all deliveries and collections. Pay earnings in advance. Write a confidential letter to PRESIDENT,

Dept. FP, Box 711,
Fort Worth 1, Texas, U.S.A.

SALES ENGINEER

Large Toronto Structural Steel Fabricator has opening for a Professional Engineer with sales experience. Salary commensurate with experience and ability. All benefit plans included. Send your complete resume including salary requirements and references which will be returned. Our staff know of this advertisement. All replies strictly confidential.

BOX 527
THE FINANCIAL POST
TORONTO

SALESMAN REQUIRED

Sales-minded Canadian, 35-40, preferably with some background in light sheet metal manufacturing, needed by maker of nationally distributed building items in small Ontario town. Job could lead to general management, depending upon ability and growth. Applicants will be interviewed either in Toronto or London. Send resume of education, experience and objectives to

Box 489, The Financial Post, Toronto, Ont.

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with other firms, when ours is the only firm that will back its recommendations on a money-back basis.

ALSO

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Address enquiries to:
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46 Avenue Rd., Toronto 5 • WAlnut 3-9805

CHIEF ACCOUNTANT

With capacity to handle all accounting operations and procedures of the business office of McMaster University.

Ample opportunity for advancement.

Preferred age 30-35 with university degree an important consideration though not essential.

Applications should be addressed to the **Bursar, McMaster University,** Hamilton, Ontario, stating education, experience, qualifications, references and salary required.

GENERAL MANAGER

Required for new plant in Western Canada manufacturing fibreboard products. The man we want must be capable of taking complete charge of the operation. Administrative and sales ability essential. An excellent opportunity for a man willing to contribute to the growth of a new Company.

Replies will be treated in complete confidence and should state complete personal and business history and salary required.

Reply to: Box 562, The Financial Post, Toronto, Ont.

CREDIT MANAGER

A large National Organisation requires an ambitious man 35 - 40 years old, with retail collection and office management experience for their Toronto office. Preferably with a degree from a credit association. Fluently bi-lingual an advantage. This position offers a good opportunity for advancement with an expanding and live organisation. Give full particulars of age, experience, education and salary expected.

All replies in strictest confidence.

BOX 569, THE FINANCIAL POST, TORONTO

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Must have general mining experience including coal, base metals, etc., and record of success in administration. Degree as mining engineer desirable but not essential if applicant has necessary experience and qualifications in supervising, administration and development. This is a permanent position with pension plan, hospital and medical benefits, etc. A real challenge for the right man. Write, giving experience and qualifications, age and salary requirements to

P.O. Box 459, Halifax, Nova Scotia

1249

PLANT SUPERINTENDENT
($8,000-$9,000)

To direct and supervise all manufacturing, scheduling and personnel activities, as well as industrial relations in a small Ontario consumer goods plant.

Experience in the white goods industry, particularly in assembly and welding, is desirable; an engineering background is also desirable but not essential.

The man sought should be between 35-45 years of age and must have a proven record in supervising quality and quantity production in Canadian industry.

Apply in writing, giving full details, in confidence, to:

Stevenson & Kellogg, Ltd.
Consulting Management Engineering
10 Eglinton Ave. East, Toronto

STAFF SPECIALIST—ACCOUNTING

Major international transportation company requires a Chartered Accountant or a specialist with comparable training to undertake special assignments. These may involve investigation, financial analysis, recommendations on accounting practice and report writing. Candidates should have some big company staff background: experience in the transportation or hotel industry preferred. This position offers excellent experience and unusual opportunity for advancement. The successful applicant will probably be between 25 and 35 years of age. Salary commensurate with qualifications and experience.

Apply in writing to:

W. WALLACE MUIR & ASSOCIATES
LIMITED
Management Consultants
63 SPARKS STREET • OTTAWA

ADMINISTRATIVE ENGINEER — TELECOMMUNICATIONS —

for

AIR MATERIEL COMMAND, NATIONAL DEFENCE, OTTAWA

$9,060 - $10,140

To supervise technical staff and co-ordinate electronic programs. Duties include:

—Appraising cost versus reliability in system design
—Standardization of components
—Establishing apparatus reliability
—Checking completed design specifications
—Preparation of engineering operating publications

Candidates should be electrical engineers with several years of electronic experience.

For details, write to
CIVIL SERVICE COMMISSION, OTTAWA
Please quote competition 57-1151

Complete facilities ...for the design and fabrication of heavy industrial equipment...*ready to go to work for you* NOW

- single piece or production line basis
- directly accessible by rail or water
- conveniently located
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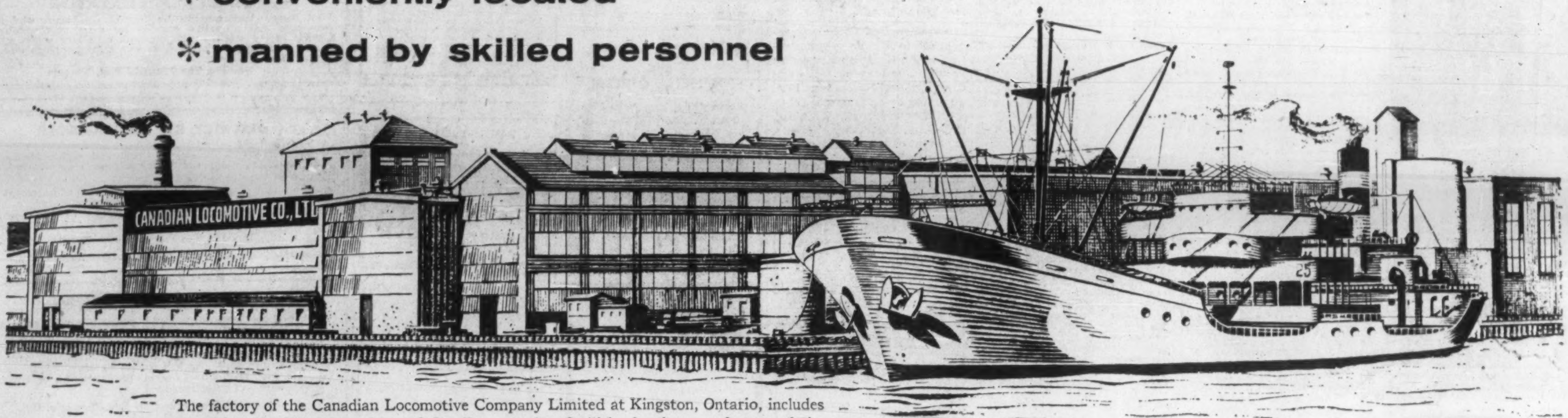
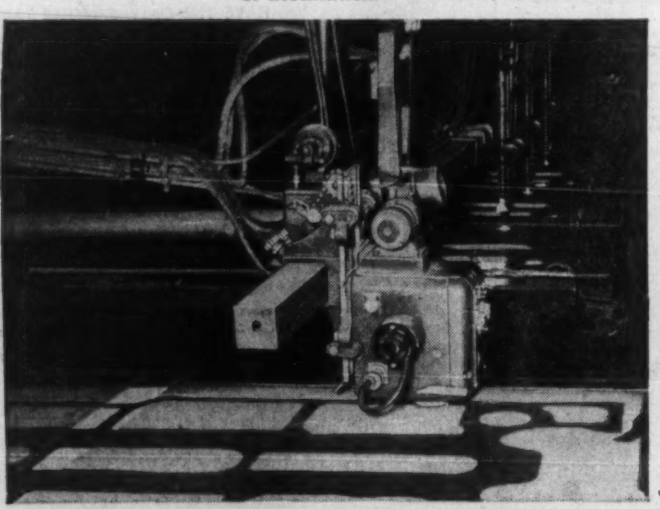
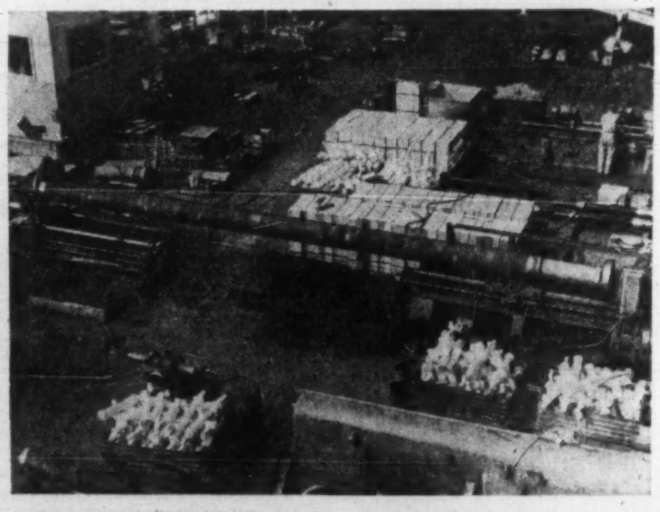


The factory of the Canadian Locomotive Company Limited at Kingston, Ontario, includes approximately 13 acres under roof. It offers complete facilities for the manufacture of virtually any type of industrial or process equipment — either individual units made to customer specifications, or standard lines and components. The factory is served by both major railways and trunk highways. Its deep water harbour facilities for lake or ocean-going vessels often eliminates the need for partial fabrication of units, and re-assembly at point of destination.



Electronic Tracing Head controls Flame-cutting Machine. This modern piece of equipment gives extremely smooth cuts, and insures accuracy in the cutting of all types of shapes in multiple up to a thickness of several inches. Among other applications it is used in the production of the many hundred small pieces that make up the block weldments for the Fairbanks-Morse opposed piston diesel engine.

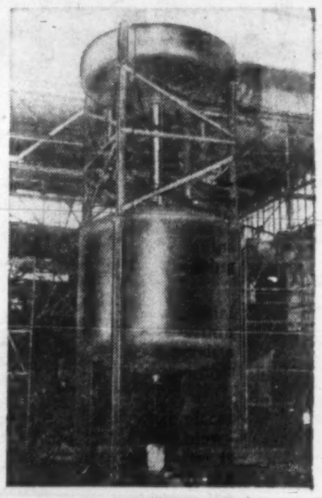


An extremely long shaft being machined for roller bearing fits for use in industrial process machinery. This is an example of the unusual machining jobs for which the Canadian Locomotive Company's Machine Shop is specially equipped.

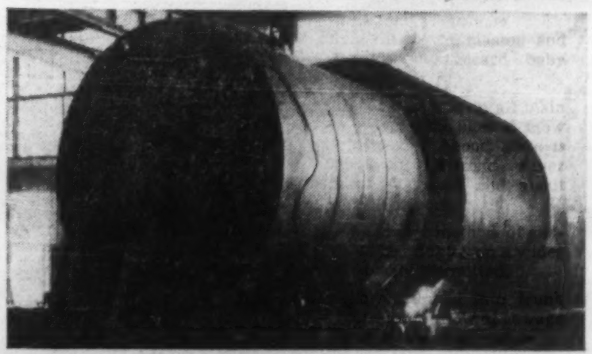
The Erection Shop's 150 ton crane (upper foreground), one of the largest in Canada, is capable of moving any type of fabrication, even as heavy as the biggest locomotive. The clearance under the hooks is unusually great, being 37 feet. Also shown is a supplementary 10 ton crane. In all, CLC's factory is equipped with 22 overhead travelling cranes.

Machine shop and assembling facilities make possible the production of large equipment such as this huge baling press. Incorporating exclusive features, it is capable of crushing and baling a complete auto body in a matter of seconds.

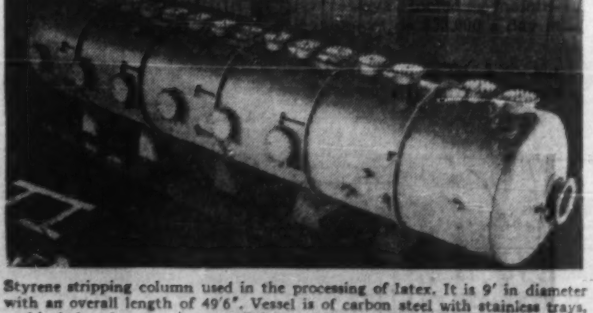
Typical examples of Industrial Equipment fabricated by CLC



Stainless Steel Pressure Vessel, forty-one feet high, assembled in vertical position for hydrostatic test. It was fabricated from materials up to 1⅜" thickness, and subjected to 100% X-Ray, assuring all code requirements for pressure vessels of this type. Smooth interior finish of stainless steel minimizes the contamination of products used in the process of nuclear developments.



This Crystallizing Evaporator, with a diameter of 12'6", is typical of the heavy industrial equipment fabricated by CLC. For highly corrosive ammonium sulphate, these require skilful welding procedure and technique on 316 ELC stainless steel. Note power roll facilities.



Styrene stripping column used in the processing of latex. It is 9' in diameter with an overall length of 49'6". Vessel is of carbon steel with stainless trays, and is designed to operate at 45 P.S.I. to full vacuum.

Representing in Canada:
Colorado Iron Works *(Akins Classifiers)*
General American Process Equipment Division *(Louisville Dryers, Turbo Mixers)*
Productive Equipment Corporation *(Selectro Vibrating Screens)*
The Galigher Company *(Agitair® Flotation Machines, Geary-Jennings Samplers, Galigher Vacseal Pumps, Acid-proof Sump Pumps)*
Chattanooga Welding and Machine Company *(Holt Hydraulic Baling Presses)*

For complete information on facilities and equipment, write
Engineering and Industrial Equipment Division
Canadian Locomotive Co. Limited
KINGSTON, ONTARIO

The Financial Post

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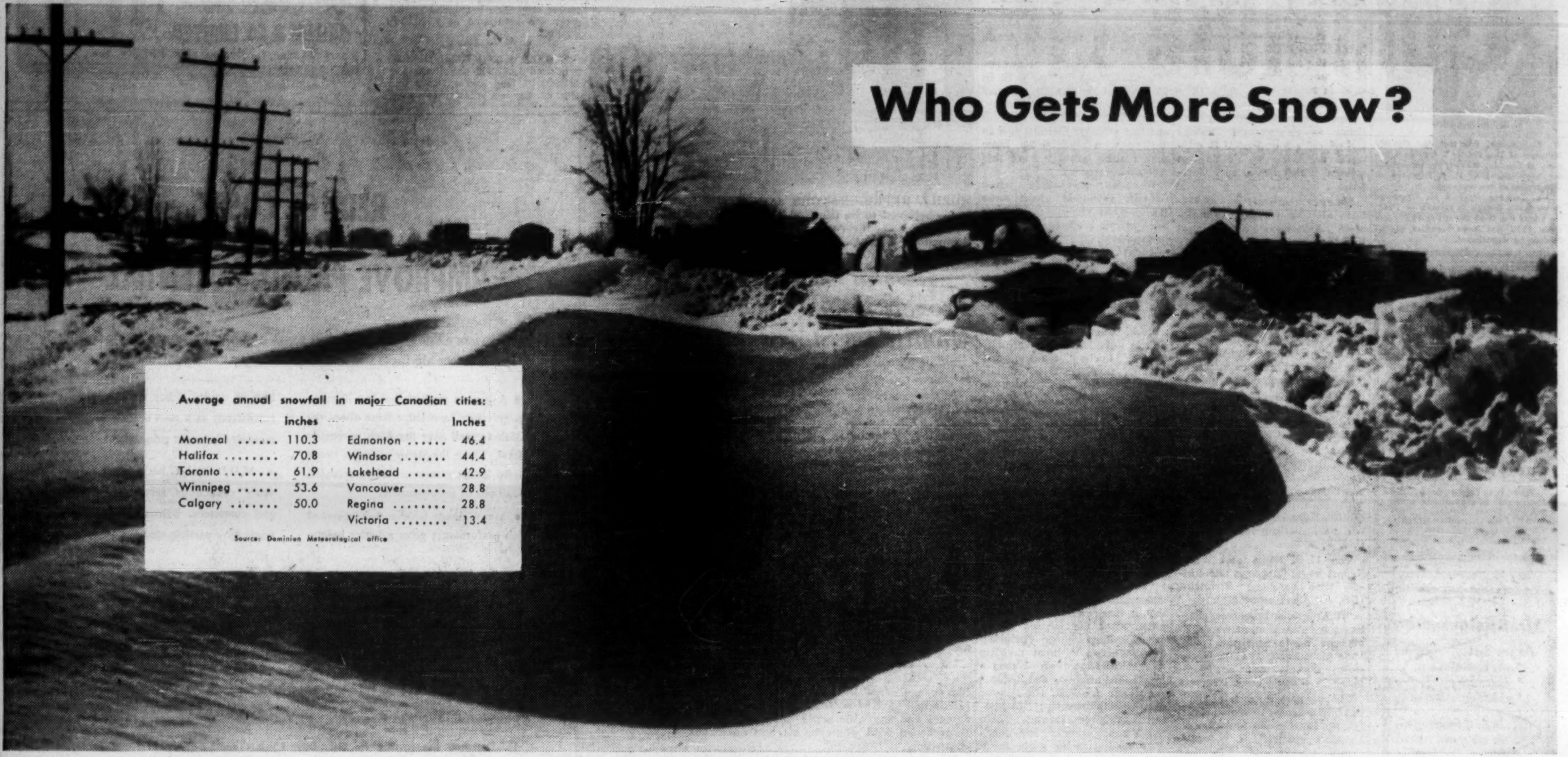

Who Gets More Snow?

Average annual snowfall in major Canadian cities:

	Inches		Inches
Montreal	110.3	Edmonton	46.4
Halifax	70.8	Windsor	44.4
Toronto	61.9	Lakehead	42.9
Winnipeg	53.6	Vancouver	28.8
Calgary	50.0	Regina	28.8
		Victoria	13.4

Source: Dominion Meteorological office

How 'Snow Capital' Fights White Strangler

By VINCE LUNNY

Snow!

It inspired the ancient Greeks to coin the world crystal. Children revel in it. Skiers praise its qualities, and some artists find in it the inspiration for great works.

Perhaps snow has its worthwhile attributes, but to the city of Montreal it is a $4 million headache.

That's the annual cost of snow removal on 810 miles of streets and 1,400 miles of sidewalks, and it doesn't include capital expenditures which range from $100,000 to $1 million a year, depending upon appropriations for new equipment.

Here is a breakdown of costs:

- $1.2 million is paid to contractors for the plowing and loading of snow on 56 miles of streets and for plowing only on 354 miles of streets.
- $800,000 is spent on the 400 miles of streets cleared by the city itself.
- $1 million is earmarked for the purchase and spreading of salt and abrasives.
- $1 million is credited to the municipal shops for the maintenance of snow removal equipment.

Montreal has the heaviest snowfall of any major city in the world.

The average annual fall is over 110 in., double that of Winnipeg and Moscow which have more severe climates and less traffic density.

Snow is prevalent in certain belts. It seldom falls at sea level south of the parallel of 30 deg north latitude. On the Pacific coast of North America it occurs at sea level only north of the 47th parallel. That's why Vancouver, which is farther north than Montreal, has no snow problem. There the fall is less than 30 in.

Wintry Smile Not Scowl

Last winter Montreal was favored with a smile instead of a scowl from old man winter and his traveling companion, the bitter, turbulent north wind.

The 1956-57 fall amounted to 59.6 in., lowest on record, and some equipment, including big, ponderous blowers worth $35,000 each, never even lumbered out of the municipal yards.

But just 10 years before, in the memorable winter of 1946-47, the fall amounted to 137.9 in. and hardy oldtimers, used to swapping tales of the great snows before the turn of the century, were strangely silent.

Once 30 in. of snow fell on the nearly paralyzed city in five days and the oldtimers never even emerged beyond the glow of their own firesides.

Despite everything that could be done to cope with the emergency, there were frustrating tie-ups of traffic which affected commerce to the extent of millions of dollars.

In the outlying districts, pedestrians labored knee-deep in snow. Automobiles were left for days in drifts created by fierce winds and in banks of hardened snow created by plows, fighting stubbornly against the elements to keep vehicular arteries open.

No wonder nerves popped like champagne corks.

This winter Montreal's snow removal equipment had been virtually idle until mid-January. Then in three days 10 in. fell.

Daily Storm Reports

The city receives daily three reports of storm activities from the dominion weather bureau at Dorval. Special warnings are issued when conditions warrant.

As a winter storm sweeps in, information on its progress is relayed by teletype from city hall to roads department engineers, superintendents and yard foremen.

Neighboring municipalities like Westmount and Outremont are notified and so is the Montreal Transportation Commission.

A teletype system links the city's key centres of operational direction with offices and yards in four municipal districts. Engineers and superintendents drive radio-equipped automobiles.

The most important municipal district is called central and it comprises the uptown shopping, hotel and theatre area, the downtown financial area of St. James Street and its tributaries and the waterfront, an important commercial distributing centre even in winter when the giant port is stilled.

The other districts are called west, east and north but central always has priority on the use of equipment and manpower.

As the storm lashes 50 sq. miles of Montreal, as many as 600 pieces of equipment crawl out to perform designated tasks on pre-determined routes. The battle of man against weather has begun.

Anti-Snow Army Ready

Man's army consists of 1,030 permanent roads department workmen (repair men and street cleaners in summer) and up to 1,000 auxiliary helpers depending upon the severity of the storm.

J. V. Arpin, assistant director of the city's roads department, explains that substantial increases in wages for these workers have lessened credits for actual work.

In 1953 basic wages were increased by 12.5% and in 1955 by 14.6%. Yet the total appropriation remains substantially the same.

These men command $7 million worth of equipment, ranging from the $35,000 master blowers to $2,000 jeeps.

If the storm brings less than four in. of snow and drifting is inconsequential, the onslaught can be met adequately with blitz troops using rock salt, purchased from companies in the Windsor area at $10 a ton, and cinders, salvaged from the **LaSalle Coke Co.** in Montreal.

The city buys about 30,000 tons of salt a year and 50,000 tons of sand, which is used mostly on slippery sidewalks. The supply of cinders, ranging in size from ¼ in. to ¾ in. amounts to 10,000 tons.

According to Arpin, no plowing of main arteries is required if the fall is less than four in. Rock salt combined with traffic's whirling wheels melts snow effectively above 10 deg. F. and it seldom snows if the mercury tumbles 20 deg.

Use of salt at $10 a ton is cheaper than plowing and loading.

Salt and Auto Chrome

Motorists complain that the salt eats the chrome on their cars and causes not extensive but annoying damage to bumpers and hub caps.

The city contends that if cars are washed frequently in winter no damage will result, especially if a protective coating is applied to exposed chrome.

A clear plastic is available in a spray container for around $1.25, enough to last all winter.

Noncorrosive snow compounds are much too expensive for use on the scale required in Montreal, according to G. D. Vanier, administrative superintendent of the city's roads department.

"The cheapest compound we know of costs a minimum of $400 a ton and I don't think the city of Montreal is ready to spend $12 million a year on it," Vanier said.

Winnipeg, which has an average fall of 53 in., uses a compound called "urea" on bridges and their approaches. It is composed of hydrogen, carbon, oxygen and nitrogen and it does not corrode metal.

"If Winnipeg can afford urea, good!" exclaimed Vanier. "But I don't foresee its use in Montreal—not when plain salt is available at $10 a ton."

If the storm, whirling out of the north, dumps more than four in. on Montreal, or if there is severe drifting with a lesser amount of snow, the problem assumes major proportions, aggravated by Mount Royal in the centre of the city, by hilly streets around the imposing mountain and by narrow streets in the older districts.

Mustering Shock Troops

The city doesn't wait until the fall reaches four in. to muster its shock troops and call up its reserves.

Preparedness is the watchword at all times, from mid-November, when the first gentle flakes fall, until early April, when the threat begins to vanish.

Should the forecast from Dorval indicate the brewing of a severe storm, equipment begins to roll before the snow reaches an inch, particularly in the important central district.

Of course the time element—old man winter has a calendar but no clock—is important.

A blizzard during the day is handled without too much inconvenience although it may deter suburban shoppers from invading the city.

A heavy fall in late afternoon, especially if combined with freezing rain, will snarl rush hour traffic and a good many motorists will take hours to make a normally 40-min. trip home from work.

There has been substantial improvement since streetcars have been taken off most routes. Today there are 13,050 buses operating in Montreal and only 325 streetcars. Soon there will be no trams at all.

Blizzard by Night

If the blizzard occurs in late evening or during the night, most of the plowing is done by morning and workers can get to their jobs without too many inconveniences, particularly if they use public conveyances.

Some 200,000 privately-owned automobiles and 4,000 taxis find the going much tougher.

All plowing, even on residential avenues, generally is completed within 24 hours unless the snow itself persists beyond that period. Then comes the task of removal.

Along residential avenues, huge pieces of cumbersome equipment called blowers simply take the snow and scatter it over lawns where it remains until the warm rays of the spring sun erase the last vestiges of winter.

Montreal has 47 Sicard master and junior blowers and 20 Sicard baby blowers for sidewalks.

In the central district and on all main arteries and bus routes, the plowed snow is blown into trucks. About 30% is dumped into the St. Lawrence River where the current is swift and about 20% is packed into sewers.

This is a satisfactory method of disposal and it would be adopted on a wider scale if sewer capacity permitted.

Any more snow dumped into trunk sewers would impede the flow of sewage from feeders and cause overflowing.

The balance of the removed snow is carted to city-owned lots where, like the snow on residential lawns, it stays until the sun wins the final round of the bout with winter.

Based on a 121-day winter season, the cost of snow removal, including maintenance of equipment, is $33,000 a day in Montreal.

Nice to play in, nice to ski on — but very expensive on city streets. That's snow.

Snow: $4 Million Headache

Budgeted figures for snow removal in Montreal for the last three winters and estimated figures for the current season:

	1957-1958	1956-1957	1955-1956	1954-1955
Snow removal	$2,000,000	$2,056,216	$1,913,718	$2,229,273
Maintenance of equipment	1,000,000	1,000,000	1,000,000	1,000,000
Spreading of salt, sand, etc.	975,000	940,000	1,009,656	1,060,764
Total	$3,975,000	$3,996,216	$3,923,374	$4,290,037

Note: Since 1955-56, the $1 million appropriation for maintenance has been credited to the municipal shops.

Are They Crackpot?

Plagued by an annual snow fall of 110 in. Montrealers are constantly presenting crackpot and not-so-crackpot schemes to deal with the removal problem.

Soon after the first heavy fall of 1957-58, three suggestions were advanced in letters to city hall.

- **One man, who claims to have obtained** a patent on his idea, urged the city to take advantage of natural gas lines by installing auxiliary pipes on underground mains and diverting gas to burners at pavement level.

Snow simply would be pushed onto protective grills over the burners where it would melt. The idea is to have the water drain into sewers.

- **Another Montrealer suggested** that plows be equipped with blow torches, fired by acetylene gas.

They would push the snow toward the gutters, melting it at the same time.

- **The third idea, and this one is a hardy perennial,** is to heat the pavement, employing the radiant heating principle used on driveways and paths of some modern homes.

Although Moscow has 34 miles of heated pavement to help combat its fall of 55 in. annually, Montreal engineers say the cost on a wide scale would be prohibitive.

Mechanized 'Army'

Montreal's $7 million worth of snow removal equipment includes the following pieces:

47 Sicard master and junior blowers.
20 Sicard baby blowers for sidewalks.
21 Auto-spreaders for salt and abrasives.
28 Heavy-duty trucks with snow plows and graders.
24 Flushers with plows and graders.
41 Trucks with plows.
10 Flushers with plows.
48 Trucks for transport.
15 Half-ton trucks, nine equipped with three-way radio.
4 Power graders.
33 Detachable salt and abrasive spreaders.
49 Sidewalk sand spreaders.
80 Jeeps.
111 Wheel sidewalk tractors.
65 Crawler type sidewalk tractors.
14 Four- to eleven-ton crawler tractors.
20 Wheeled loaders.
8 Trailers.
3 Excavators, type Gradall.
1 Excavator shovel.
8 Fuel trucks.
9 Automobiles with three-way radio.

SNOW REMOVAL is a personal job, too. Most Canadians still use the flat shovel and musclepower, but some manufacturers have adapted the professional snow-mover's equipment to help the homeowner.

ANNOUNCEMENT

N. P. OVENDEN

W. E. Williams, President and General Manager of The Procter & Gamble Company of Canada, Limited, has announced the appointment of N. P. Ovenden as Comptroller of the company.

Mr. Ovenden received his Chartered Accountant's degree in Ontario in 1948. He joined P & G of Canada in 1950, and since 1955 has been Manager of the Forecasting department.

(Advertisement)

HOME STUDY COURSE IN PROGRAMMING BUSINESS COMPUTERS

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NEW AWARENESS

Some Yanks Say We're OK

Special Correspondence

WASHINGTON, D.C. — An increasing number of influential U.S. newspapers believe the U.S. is acting as a bad neighbor to Canada.

The recent Washington decision to restrict oil imports kicked off a round of U.S. editorial criticism of Washington actions which have hurt Canada.

Sharper reactions out of Ottawa also have helped to make more Americans aware that U.S. actions have been hurting Canada, the best customer the U.S. has.

The U.S. financial publication Barron's recently warned in a front page article that "the U.S. must end economic warfare against Canada" (**FP**, Jan. 4).

Another U.S. financial paper, the New York Journal of Commerce, commented on the oil import restriction by saying: "The new import curb has crystallized the worst crisis in U.S. relations with Canada in years."

From a dollars and cents angle, many U.S. exporters are awakening to the fact that the slowdown in Canada, combined with U.S. "economic warfare against Canada," means Canada will be importing less from the U.S.

The U.S. News and World Report says: "Imports undoubtedly will be falling off, hitting U.S. suppliers especially.

"If American investors, chastened by recession at home, do not see fit to continue large-scale investment in Canada, the storm signals will really be flying in Canada next year.

"This is something for American businessmen to watch closely. By far, Canada is America's biggest customer."

The Washington Post and Times Herald, always friendly toward Canada, says:

"Any program to prop up a domestic industry which touches off a major crisis with a country like Canada surely has doubtful merit.

"It is a curious exercise in Realpolitik to hear it said that the Administration oil crackdown was a gambit to win congressional support for an extension of the reciprocal trade program."

There has been more awareness of Canada in the U.S. in the last six months than at any previous time in recent history.

The Norman case, the election and the stronger Ottawa line in dealing with Washington, have contributed greatly to this greater awareness.

Whereas previously when Canada grumbled about some Washington action, it made a mere ripple if anything in U.S. newspapers.

Today, the ripple has become a splash.

Most newspapers offering comment are favorable to Canada in our objections to Washington policy.

In addition, they appear to be a little surprised that Washington is hurting Canada and anxious that the U.S. officials should correct the matter as soon as possible.

Some of this extra awareness has dribbled into the minds of senators and representatives who usually are too busy to be bothered with their northern neighbor.

All this is to the good because it lays the groundwork for a continually increasing appreciation of Canada and our problems.

The Milwaukee Journal commented recently:

"The situation calls for more understanding in Washington than it has received, and recognition that the United States cannot keep home industry overprotected without inviting retaliation from even so good a friend and neighbor as Canada."

Further out west, the Denver Post says editorially: "To protect its reserves, Canada, Uncle Sam's best customer, is deliberately trying to do more trade with Britain and less with the U.S.

"If our foreign customers are to continue to buy an increasing volume of U.S. merchandise each year, they must send more dollar-earning imports to this country rather than continue to dip into their dollar reserves.

Import Stimulus

"In other words, some additional stimulus to imports, as through carefully selected tariff reductions, is necessary if our exports are to keep on showing healthy growth."

Referring to Prime Minister Diefenbaker, the Wall Street Journal says:

"When a man is a little of the evangelist, a little of the intellectual and also stubborn, devoted and angry, he is one to be reckoned with whatever his occupation.

"His cause is economic nationalism. As his new government, now five months old, shapes up it is not so conservative in the orthodox economic sense; its new label of Progressive Conservative is more descriptive.

"Staunchly Conservative it is, however, in the old Canadian meaning of the word. That meaning is Canada and the British Empire first, Tory nationalist fervor and a good dose of what can be described as 'anti-Americanism.'"

Down in St. Louis, the influential Post-Dispatch has written:

"Finance Minister Fleming is quite right when he says the U.S. ought to recognize a special responsibility not to damage Canada's export opportunities.

"We would go further and say that this country ought to recognize a special responsibility for fair, equal and constructive dealings with Canada all along the line.

"If there is anyone with whom pre-eminently we can be good neighbors and owe it to ourselves as well to be good neighbors, it is the Canadians.

"First of all, however, Americans will have to rid themselves of the historic illusion that things settle themselves automatically between Canada and the United States.

"We have heard so much about 'the longest unpatrolled border in the world' that our concept of Canada has become a stereotype which grows more unrealistic every year."

The paper run by Senator William Knowland's father, the Oakland Tribune, has this to say about Canada-U.S. relations:

"Since Canada is a good neighbor, and vital economically and militarily to the U.S., Americans ought to understand the source of these mounting irritations.

"There have been times when Washington treated Canadian representatives with condescension. That is ill-advised, foolish and dangerous.

"Surely the time has come to iron out these difficulties; for, with goodwill on both sides; there is no obstacle to the removal of these irritations."

In commenting on the Canada-U.S. differences over development of the Columbia River, the Wall Street Journal has commented:

"Not since '54-40 or fight' was a national slogan have U.S.-Canadian relations in the Northwest gotten in such a snarl as they are today.

"No one knows what the outcome of the present negotiations will be. But in the great '54-40' dispute the U.S. did not get its '54-40' — nor did it fight. The Canadians out-negotiated a more powerful neighbor."

MOBILE REFRIGERATORS are used by Dominion Stores Ltd.—believed to be the first retailer to have its own refrigerated fleet — for regular deliveries to its 130 plus stores throughout Ontario. Refrigeration unit is run by hydraulic drive from engine. When standing at plant, unit can be plugged in and run electrically.

Frozen Foods Head for Sky, Dominion Stores Cashing In

What's the long term outlook for frozen foods?

A few years ago they accounted for only 5% of the food retailing industry's business; today they account for 10%.

It's predicted that they will eventually account for 40%.

That's the reason **Dominion Stores Ltd.** has invested $750,000 in a 520,000 sq. ft. frozen food centre in Toronto — largest retail-owned centre in Canada.

Evidence of the strides being made by frozen foods is provided by Dominion's own findings.

Taking 1953 as a base of 100, sales had soared to 325 by 1955 and to 750 in 1957.

It's estimated they will top the 1,250 mark this year.

Proportionately, too, frozen foods are accounting for a steadily rising percentage of the consumer food dollar.

In 1948 they accounted for 1.06%, by 1953 3.02%, by 1955 3.7%.

"Guesstimate" for 1958 is around 7.5%.

Dominion now has its own fleet of six refrigerated trucks, too.

It uses these for regular deliveries to its 130 odd stores in Ontario.

Dominion believes it is the first retailer having its own refrigerated fleet. Capacity of each truck is 13,500 lb.

Offer CMHC Talks For Home Owners

A new course of six weekly lectures in home design and financing is being offered by the University of Toronto Extension Department, under the sponsorship of **Central Mortgage & Housing Corp.**

Topics to be covered include arrangements for financing a building loan, mortgages, site, architect's services, design, materials of modern construction and landscaping.

Lecturers will be three CMHC officers, and three University of Toronto faculty members. Fee for the course, which begins Feb. 3, is $10.

CARIBBEAN CONTRACT

Dominican Republic has awarded **Spartan Air Services Ltd.** a contract for aerial photography for mapping purposes. Photography of the country's 18,700 sq. miles at 30,000 ft. is expected to take three months.

N. S. Apple Crop Shipped Overseas

From Our Own Correspondent

HALIFAX — Some 350,000 bushels of Annapolis Valley apples have been shipped to overseas markets bringing the Nova Scotia crop marketings to an estimated 70%. Little difficulty is expected in disposing of the rest of the crop. The provincial apple crop was estimated at 2,750,000 bushels.

UNITED KENO HILL MINES produced 1,407,900 oz. silver, 5,421,500 lb. lead and 4,730,800 lb. zinc in the last quarter of 1957.

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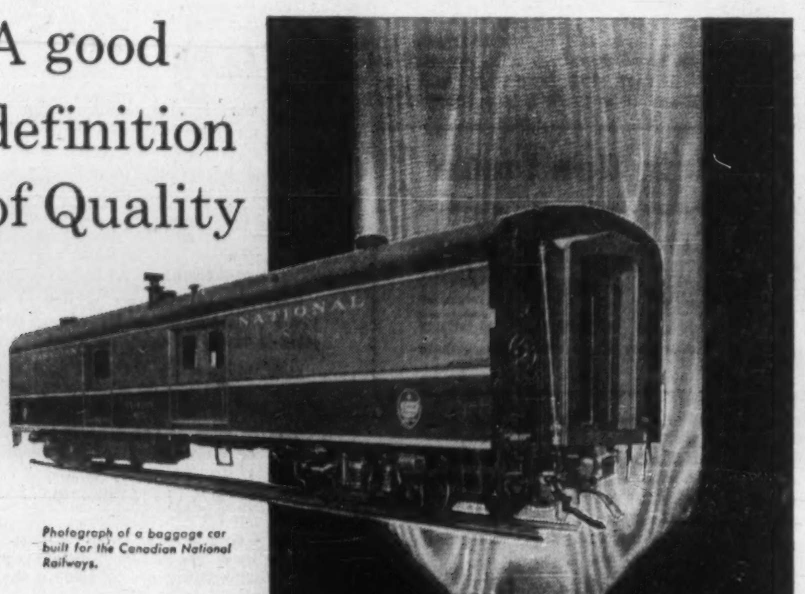

Photograph of a baggage car built for the Canadian National Railways.

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—J. K. Macdonald, President, Confederation Life Association.

The record growth of Confederation Life in 1957 can be measured in many ways. It is reflected by the $1,953,938,014 of Life Insurance in force, and by the record volume of new Life Insurance issued during the year—a total of $261,466,572.

But the heart of the matter is the security and protection the company provides for more than one million people in all walks of life. During 1957, Confederation Life issued 154,000 cheques to beneficiaries and living policyowners located in many countries throughout the world. These payments totalled $36,266,797—a new record in benefits.

It is in these terms of ever-widening security for more and more families that the progress of Confederation Life can best be measured.

A copy of the annual report will be mailed on request.

AFTER 86 YEARS OF SERVICE

TOTAL ASSETS	1957 DIVIDENDS PAID	TOTAL LIFE INSURANCE IN FORCE
$385,334,972	$3,648,708	$1,953,938,014
NEW LIFE INSURANCE WRITTEN IN 1957	BENEFITS PAID IN 1957	*TOTAL ANNUITIES IN FORCE
$261,466,572	$36,266,797	$285,739,824

*Not included in Life Insurance figures.

Confederation Life ASSOCIATION

FOUNDED 1871 HEAD OFFICE—TORONTO

Conversation at Midnight

How Clever European Views U.S. 'Mistakes'

A clever European's view of the U. S. and its shortcomings, especially in diplomatic competition with the Russians, is reported in Harper's Magazine by John Fischer.

Mr. Fischer, editor of Harper's, writes from an ancient castle in Salzburg, Austria, and relates a "conversation at midnight" with Father Florian, an Austrian priest.

Real or imaginary, Father Florian has a sharp eye for what he regards as American mistakes. He is speaking as this extract from Mr. Fischer's article begins:

"Take diplomacy, for example. Since war is no longer feasible, diplomacy obviously has become a decisive instrument. The Communists have known this for a long time, and they have built a formidable diplomatic machine. All of its parts are tooled and polished to mesh together—a corps of highly trained diplomats, a superb intelligence apparatus, an even better propaganda set-up, military pressure where needed, and all the economic levers from trade pacts to bribery. They have been using it to win one thumping victory after another.

"You Americans, on the other hand, apparently don't even know what diplomacy is. You still think of it in terms of striped pants and tea-sippers, and you treat its practitioners with contempt, as if they were male ballet dancers.

"Your policies — if I may may use the word loosely — never seem to mesh. Your President, Vice-President, and Secretary of State sometimes issue three contradictory statements on three successive days. Any blabber-mouthed Congressman, general, or Faubus can destroy months of patient diplomatic effort in a single hour, and often does.

"You do have a few competent diplomats — Charles Bohlen and George Kennan probably know as much about Russia as any men in the West — but for some reason (which no foreigner can possibly understand) you refuse to use them. One of them is rusting in Manila, the other is lecturing at Oxford.

"What you do use is a herd of amateurs. Your Whitneys and your Glucks are estimable gentlemen, no doubt, with a cultivated taste for race horses and convertible debentures — but in an embassy they are strictly greenhorns. You wouldn't dream of asking them to play first base for the Yankees, or to fix your carburetor, or to fill your teeth. For these jobs you insist on professionals. Yet when your survival as a nation is at issue, you call in any stray millionaire who happened to contribute to the right campaign fund.

Unwilling to Pay For What's Needed

"You see why we foreigners cannot believe that you are a serious people?"

With considerable difficulty, I managed to interrupt. Only millionaires, I pointed out, could afford to accept appointment to a major embassy. By ancient tradition the United States does not pay its Foreign Service professionals enough to cover the running costs of such a post.

"Thank you," he said, "for reminding me of another American habit which has always baffled me. Why are you always unwilling to pay for what you need most?

"In helping others you are incredibly generous. For luxuries — from deodorants to mink stoles — you spend your money with childlike abandon. But when it comes to the real necessities, you are stingier than a Styrian peasant.

"For the price of one ballistic missile, for one-tenth of what your women spend on lipstick, you could staff all your embassies with well-trained professionals. And that is a comparatively petty example. Take a big one.

"All of you seem to be pretty well in agreement that you need schoolteachers. You have discovered, with alarm, that the Russians are way ahead of you in the kind of education that pays off. Their children get more hours of instruction in ten years than yours get in twelve — and better instruction, too, because they average seventeen pupils to a class, while you average twenty-seven. They turn out 80,000 engineers a year; you turn out 30,000. All their high school graduates have a good, stiff training in mathematics, physics, and chemistry; less than a third of yours can match them in any one of these fields.

"What is more important still, Russian students learn foreign languages. In their higher institutions, 65% of them study English alone. How many Americans learn Russian? One per cent?

"This fact ought to scare you more than the sputnik. Because skill in languages—not just for a few people, but for millions—is the place where a successful foreign policy begins. When a Russian goes abroad for any purpose, he can talk to the local people in their own tongue — whether they are Arab villagers or Burmese guerillas or French scientists. When Colonel Rudolph Abel set up his spy centre in Brooklyn he spoke Brooklynese like a Flatbush bartender. When Soviet technicians build a steel mill in India, their plans are drafted in Hindi.

"Yet of the half-million Americans who travel overseas every year, I don't think I have met a dozen who could manage even the simpler European languages with fluency. By the way, how well do you speak German?"

Father Florian had the tact not to wait for an answer. (I would have had to tell him that I can order a cup of coffee, and that—in a pinch—I can ask whether the train is on time. If the stationmaster speaks slowly enough, I can often understand his reply.)

"The Russians got ahead of you," he said, "because they are hard-headed businessmen who understand the law of supply and demand. When they wanted teachers they paid for them. Not just in cash — though I understand that their top professors do get the equivalent of about $50,000 a year. They also offered something more important: prestige. In any Soviet town a teacher is a Big Man. He enjoys as much standing in the community as a real estate speculator in New York or an oil-lease broker in Dallas. He lives in the best suburb, gets the best table in restaurants, and is invited to the best parties. So their bright youngsters head for the teaching profession just as naturally as yours head for Wall Street or Madison Avenue.

"But you Americans have never learned to meet a payroll — not in your schools, anyhow. You offer teachers less than truck drivers, and then you wonder why you have 135,000 classroom jobs unfilled. I have even heard — but this I can't believe, it must be Communist propaganda—that some of your universities will pay more for a football coach than for a physics professor.

"With my own eyes, however, I have seen how you go out of your way to make your scholars feel disreputable. You ridicule them in TV shows and comic strips. Your politicians harass them. Their own pupils treat them with disrespect. You call them names. Incidentally, would you be good enough to explain precisely what you mean by the term 'egghead'? . . . I see . . . Then tell me this: who but an egghead can make an intercontinental missile?

"Or, for that matter, a workable foreign policy. As I was saying a moment ago, this is where your impracticability shows up in its most embarrassing form. In other aspects of life you behave with good sense; if a carpet sweeper or an adding machine breaks down, you get a new one. But when a foreign policy doesn't work, you cling to it all the tighter — out of sheer sentimentality, I suppose. Your China policy has been a farce for the last five years; your German policy is stalled on dead centre; your Middle East policy has failed beyond the Kremlin's wildest hopes. Yet you cherish them like heirlooms.

"Much as our beloved Emperor Franz Josef did. He was a well-meaning old gentleman who devoted most of his time to shooting rabbits — golf had not reached Austria in his day. He was not an intellectual and he suffered from a sentimental attachment to old mistresses and old doctrines. He never would let go of his Balkan policy, for example, even when it was plainly dragging him to disaster. He was, you may remember, the last of our emperors . . .

Economic Strength Great Peace Tool

"It is this same soft-hearted streak, apparently, which keeps you from using what strength you have. You may be slipping militarily, but your economic strength is unmatched. Here is your obvious instrument for a diplomatic offensive which might save the western world.

"The Russians already have showed you how, and with a fraction of your resources. They have used a few million rubles worth of trade agreements — deployed along with their other diplomatic weapons — to rope in Egypt and Syria, and they are moving fast in India, Burma, and Ceylon.

"Why do you let them get away with it? Because — correct me if I'm wrong — you insist on tying your hands with a protective tariff. To protect what? A couple of watchmakers, a bicycle manufacturer, and a few clothespin factories, in Vermont. Because these gentlemen do not believe in the competitive free enterprise system, they have been weeping on the shoulders of Congress—to such good effect that your present Trade Agreements Act (modest as it is) may be gutted when it comes up for renewal in June.

"Only a nation of bleeding hearts would throw away its sharpest weapon, in the midst of dubious battle, for the sake of such a hardluck story. Can a country so impractical, so muddle-headed, be trusted in a harsh material world? Do you understand why we Europeans hesitate to tie our fate to yours — however charming your culture may be?"

Consumers' Gas Co. Issue Offered to Yield 5.12%

A $20 million issue of **Consumers' Gas Co.** 5% first mortgage sinking fund bonds Series B is being offered at 98.50 to yield 5.12% by a syndicate headed by **Dominion Securities Corp.** and **A. E. Ames & Co.** Maturity date is Feb. 1, 1978.

Proceeds will be used to repay bank indebtedness incurred to finance expansion of company's business, and for general corporate purposes.

Incorporated in 1848, Consumers' distributes natural gas in Toronto and surrounding area, and other Ontario centres. It recently introduced natural gas into Lindsay, Brockville and Ottawa.

Further work this year will include expansion to Barrie and the Georgian Bay area from Owen Sound to Victoria Harbor. Total cost of the 1958 expansion program is estimated at $24 million.

A sinking fund will retire not less than $10 million of the current issue, in varying annual amounts, between 1962 and 1977.

Net income for the fiscal year ended Sept. 30, 1957, was $1,914,935, compared with $1,137,845 in previous fiscal year.

Pro forma balance sheet dated Sept. 30, 1957, after giving effect to current financing, shows total assets of $84,083,216, including net fixed assets of $52,008,242 and current assets of $26,785,026.

Current liabilities totaled $7,067,750. Funded debt includes $9 million 3¾% Series A first mortgage sinking fund bonds due 1974, $20 million 5% Series B first mortgage s.f. bonds due 1978; $7.5 million 4¼% s.f. debentures due 1974; $10 million 4¾% s.f. debentures due 1976; and $6 million 5¾% s.f. debentures due 1977.

Equity capitalization outstanding included $5 million 5½% cumulative preferred stock, Series A, and 1,456,020 npv common shares.

Contributed surplus totaled $2,977,097, and earned surplus $1,978,169.

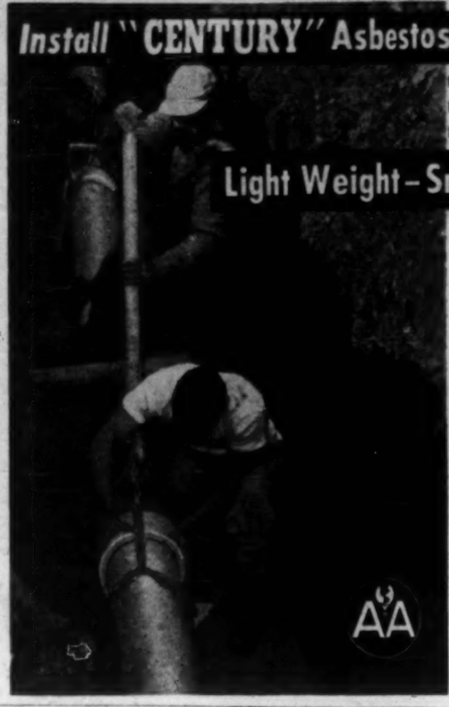
Supplementary letters patent were issued Dec. 10, 1957, changing common shares from $10 par value to no-par, and deleting the words "of Toronto" from the corporate name.

Argus Assets $30.66 a Share

Net asset value of **Argus Corp.** common stock is $30.66 per share, President E. P. Taylor told the annual meeting. This compares with $28.06 at Nov. 30, 1957, and $29.24 a year earlier.

Major investments are 400,000 shares British Columbia Forest Products, 400,000 shares Canadian Breweries Ltd., 385,000 shares Dominion Stores Ltd., 860,000 shares Dominion Tar & Chemical, 1.5 million shares Massey-Harris-Ferguson, and one million shares St. Lawrence Corp.

Earnings were $1.50 per share in the 1957 fiscal year, compared with $1.21 in the previous year.



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CENTURY "FLUID-TITE" Couplings are easily assembled . . . assure tight but flexible joints. Their self-energizing rings increase joint tightness when water pressure is applied.

Manufactured to A.W.W.A. No. C-400-53T and A.S.T.M. Specifications. For further information see our booklet: "Mains without Maintenance."

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77-8

Why Not Lease Your Equipment?

Here's how some businesses are enjoying the benefits of air conditioning without initial capital outlay and maintenance problems:

They are leasing equipment for three to five-year periods.

McArthur - MacKinnon Ltd., Toronto, last year initiated a lease program, now has more than 25 premises under air conditioning contract at from $360 to $12,000 annually.

Among the advantages: No capital investment, simplified cost accounting, experts look after the job, maintenance is included, leases are renewable at reduced fees.

SIGMA MINES had gross production of $228,402 from 35,588 tons milled in December. This compares with production of $216,728 for November, 1957, and $228,472 for December, 1956.

MANAGEMENT AWARDS

Certificates of management excellence have been awarded by the American Institute of Management, New York, to **Dominion Stores Ltd., Imperial Oil Ltd.**, and **Southam Co.**

CONTRACTORS MEET

Pipe Line Contractors' Association of Canada is to hold its convention Feb. 20, 21, 22 at the Empress Hotel, Victoria, B.C.

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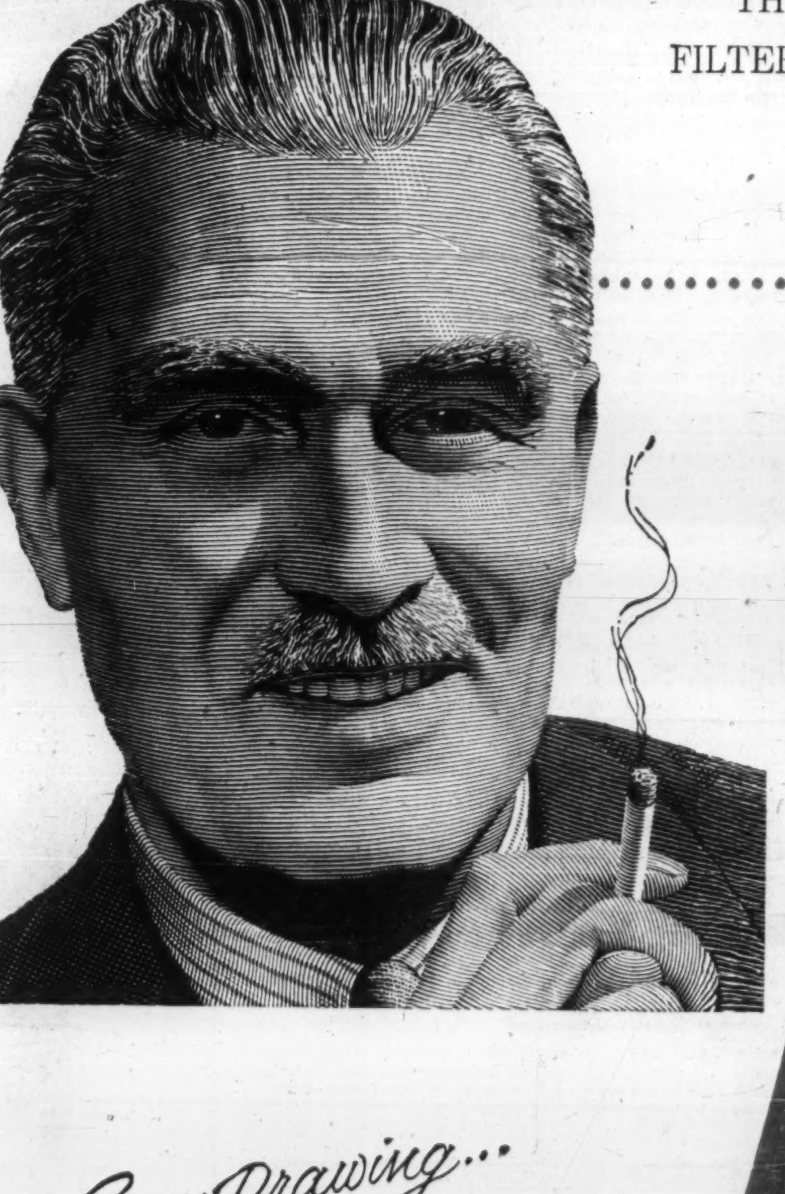

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VS-58

Company Report

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Construction

CANADA CEMENT CO., Montreal, consolidated net profit of $7,313,310 for year ended Nov. 30, 1957, was 0.8% higher than previous fiscal year's $7,257,014.

While over-all shipments of cement showed a satisfactory increase, profit margins were somewhat reduced by higher operating costs, says President J. M. Breen. Wages, fuel, power, freight and all items entering into production and distribution of cement increased, and this continuing upward trend of manufacturing costs is becoming a matter of serious concern.

Capital expenditures amounted to $7,599,331. Projects included a second kiln at Woodstock, Ontario, brought into production in April; the crushing plant at Steep Rock, Man., in May; and the first stage of new clinker mill at Montreal East plant, completed in June. Capital expenditures for 1958 are estimated at $2 million.

Estimates for 1958 indicate a volume of business not much below 1957. If these estimates prove correct, company should operate at efficient rates throughout year, though at somewhat below capacity levels.

Annual meeting is Feb. 10.

CONSOL. INCOME ACCOUNT		
Years Ended Nov. 30:	1957 $	1956 $
Net earnings	21,963,849	19,663,431
Less: Deprec.	6,500,806	5,565,435
Bond interest	} 1,656,533	819,257
Deb. disc. & exps.		30,542
Income tax res.	6,493,200	6,050,000
Add:		
Profit, assets sold	....	58,817
Net profit	7,313,310	7,257,014
Less, Pref divd.	975,000	975,000
Com. divd.	2,400,000	2,400,000
Surp. for period	3,938,310	3,882,014
Times Bond Interest‡ Earned:		
Before deprec.	13.26	24.00
After deprec.	9.33	17.21
‡Including discount in 1957.		
Earnings per Share and Dividend Record:		
Preferred	$9.75	$9.68
Paid	1.30	1.30
Common	2.64	2.62
Paid	1.00	1.00
Shares o/s at Nov. 30:		
Pref., $20 par	750,000	750,000
Common, n.p.v.	2,400,000	2,400,000
CONDENSED CONS. BALANCE SHEET		
As at Nov. 30:	1957 $	1956 $
Cash & govt. bds.	1,894,984	3,986,952
Accts. rec. less res.	3,960,029	3,603,933
Inventories	14,006,244	10,381,518
Total curr. assets	19,861,257	17,972,403
Pref. divd. main fund*	1,950,000	1,950,000
Deb. disc unamort.	283,750	298,750
Prep. exp.§	340,322	375,274
Fixed assets†	79,546,178	78,447,653
Total assets	101,981,507	99,044,080
Accts., etc., pay.	4,990,312	6,961,127
Taxes pay.	3,891,883	2,541,951
Total curr. liab.	8,882,195	9,503,078
Funded debt	36,000,000	37,000,000
Misc. res.	2,820,000	2,200,000
Capital stock	21,403,905	21,403,905
Capital surplus	5,086,900	5,086,900
Earned surplus	25,838,507	21,900,197
Pref. divd. fund	1,950,000	1,950,000
†After depr. of	38,700,645	32,252,106
*Mkt. value	1,978,000	1,927,200
§Incl. in curr. assets in co.'s report.		
Working capital	10,979,063	8,469,330

Bank Staff Changes

Commerce:

H. A. CARTER, accountant, Mitchell, Ont., to be manager, Atwood, Ont.

W. H. CROCKETT, an assistant accountant, Halifax, to be accountant, Charlottetown, P.E.I.

N. H. DiBELLO, an assistant accountant, Phillips Sq., Montreal, to be accountant, Crescent & St. Catherine, Montreal.

J. S. EDGECOMBE, accountant, New Glasgow, N.S., to be manager, Barrington, N.S.

L. G. GREENWOOD, manager, Seattle, Wash., to be a superintendent, regional office, Toronto.

J. H. E. GOODFELLOW, assistant accountant, Shawinigan Falls, Que., to be an assistant accountant, Phillips Sq., Montreal.

Miss V. T. HARRIS, to be assistant accountant, Duncan, B.C.

H. E. HENNING, accountant, First St. W., Calgary, to be manager of the newly opened branch at Forest Lawn, Alta.

R. Z. HOLMES, accountant, Crescent & St. Catherine, Montreal, to be an assistant accountant.

D. F. JACKMAN, an assistant accountant, Hamilton, Ont., to be accountant, Kingston, Ont.

Operations Research Solves a Problem

Here's how a company cut its inventory of 16 items — in regular demand — by 18.5%:

Item	Annual Usage $	OLD METHOD OF ORDERING (Each item was restocked quarterly) Orders per Year	Order Size $	Average Inventory $	NEW METHOD OF ORDERING (Each item is restocked as shown) Orders per Year	Order Size $	Average Inventory $
1	2,000	4	500	250	1	2,000	1,000
2	32,000	4	8,000	4,000	4	8,000	4,000
3	50,000	4	12,500	6,250	5	10,000	5,000
4	72,000	4	18,000	9,000	6	12,000	6,000
5	50,000	4	12,500	6,250	5	10,000	5,000
6	18,000	4	4,500	2,250	3	6,000	3,000
7	32,000	4	8,000	4,000	4	8,000	4,000
8	98,000	4	24,500	12,250	7	14,000	7,000
9	18,000	4	4,500	2,250	3	6,000	3,000
10	72,000	4	18,000	9,000	6	12,000	6,000
11	8,000	4	2,000	1,000	2	4,000	2,000
12	2,000	4	500	250	1	2,000	1,000
13	50,000	4	12,500	6,250	5	10,000	5,000
14	18,000	4	4,500	2,250	3	6,000	3,000
15	98,000	4	24,500	12,250	7	14,000	7,000
16	8,000	4	2,000	1,000	2	4,000	2,000
Total	$628,000	64		$78,500	64		$64,000

Reduction of Average Inventory Level: $14,500.

Example prepared by Price Waterhouse & Co.

Behind The Bafflement: Wonders in Management

By RODNEY TOUCHE

A handful of companies in Canada are pioneering a method of management that is rare and relatively new.

Its name — Operations Research — is baffling and little known.

But among the few companies in Canada that are using it, some are profiting in a way that cannot be ignored.

This is a detailed story on the development of OR, what it can do, who is using it, how it is paying off, the methods that are used.

This is an age when science, particularly electronics, is king.

Labor is anxiously watching the influx of automatic manufacturing systems into the factory.

What about the board room? Do top executives face the prospect of losing their jobs to an electronic computer?

The answer, of course, is no. But what does seem likely is that they will have to pay much closer attention to the help that a computer can give them and to the new methods of management that computers make possible.

One of these methods is known as Operations Research. It is catching on quite quickly in Canada now.

The companies that have been using it include: **Abitibi Power & Paper, Aluminum Co. of Canada, British American Oil, Canadian National Railways, Hydro Electric Power Commission of Ontario, Imperial Oil, Trans-Canada Air Lines.**

A number of other companies are offering Operations Research as a service to clients. **Stevenson & Kellogg** recently initiated a full-time, four week training course on the subject.

William M. Mercer has just established a new division known as **National Operations Research and Machine Accounting.**

Some other consulting groups mainly associated with computation techniques, have been in the Operations Research field for two or three years.

Leading Canadian companies are **KCS Data Control, Adalia** and **H. S. Gellman & Associates.**

Started In U. K. As War-time Aid

Operations Research got its start about 15 years ago in Britain. The operations in question were military.

The term was coined to describe a function given to scientists to analyze how a new type of equipment — radar — could best be used.

During the war, Operations Research had many applications, particularly in bombing and depth charging.

In peace time, its transition to an industrial technique has received impetus from the rapid development of electronic computers for business use.

What exactly is Operations Research?

The American Management Association defines it as "the application of statistical theory, mathematics and formal logic to solving business problems or improving operations."

Another definition is: "The scientific study and analysis of management problems aimed at maximizing or optimizing effectiveness of a company's over-all operation."

Team Scientists With Management

Dr. P. J. Sandiford, in charge of Operations Research at TCA, describes it as "a newly developed staff function through which the training and talent of scientists may be teamed effectively with the skill and experience of managers for the solution of business problems."

Put in the simplest way, OR amounts to tackling complex business problems with the advanced techniques of mathematics and physics.

In practice, it might involve letting a team of Ph.D.s loose among the data of your company's operations.

What is its merit?

It's a scientific aid for improving an executive's control. It supplements mature judgment, business acumen and vast experience.

It makes its contribution to management by testing, mathematically in most cases, rival theories and solutions before they are put into practice.

Every important policy decision usually has infinite ramifications. How do you measure in advance what each will be?

How do you decide where to locate a factory so as to take maximum advantage of raw material supplies, labor availability and cost, local taxation, freight rates and distribution channels?

And what part of your production will you make in the plant and what part obtain by contract?

There is no real difficulty in deciding where to locate two warehouses that have to distribute to three outlets.

But when it comes to locating 20 warehouses that distribute to 130 places anything less than the perfect solution is, in fact, a costly mistake.

The important point is that in most business problems it is usually not difficult to arrive at a feasible solution. The difficulty is to obtain the best solution.

Exponents of OR claim they can find the optimum solution for any given set of circumstances.

For example, an OR group from KCS Data Control was called in to help plan the extensions that are now being proposed for Toronto's subway system. The group was asked to check several possible routes from the point of view of such criteria as passenger miles, time saved and profitability.

Each route was evaluated according to these criteria. Whatever decision is made can thus be a precise blend of the elements desired.

British American Oil Co., Toronto, is another big user of OR. The company is using OR extensively for both manufacturing and marketing.

It was used recently for a detailed planning study of the company's over-all operations in Eastern Canada.

The study produced solutions which point the way to potential savings of several million dollars.

The important point is that these solutions were reached by using OR techniques in conjunction with a medium-size electronic computer and it is possible to prove that the same solutions with the same data could not have been obtained (in time to be of use) by any other approach.

Boolean Algebra And Game Theory

OR has a great many applications, both specialized and general. It also calls on a wide range of mathematical techniques, such as linear programming, boolean algebra, game theory and competitive bidding.

Much of the terminology is obscure. In many ways its obscurity has been a barrier to its acceptance.

And while some of its advocates have been unable to communicate, others have been so over-enthusiastic that responsible listeners retreated.

"It is as though we possessed a perverse secret weapon designed to drive our own customers away in droves," confessed Imperial Oil's Patrick Robinson at an international conference on OR held in Oxford, England, last fall.

When the University of Western Ontario sent out a questionnaire to 67 Canadian organizations thought to be interested in OR, a number of companies, some of them very well-known, said that they had never heard of it.

One Canadian company set up an OR group and then disbanded it. One of the main reasons: "Difficulty in getting OR personnel to produce data and results which could be understood."

Operations Research scientists are fully aware of the problem of communicating. But they are scientists and not salesmen.

They seem afraid to be intelligible in case they are misinterpreted.

Canadian Groups Backing OR Here

But interest in OR is growing in Canada. Three universities, Toronto, McGill and Western Ontario have conducted seminars and studies of the subject.

There are some 50 members of the Operations Research Society of Toronto, 32 Canadian members of the Institute of Management Scientists and 62 Canadians in the Operations Research Society of America.

In the U. S., interest is naturally wider. The American Management Association recently surveyed 631 companies and found that 324 were using OR and 144 were thinking about it.

In 1951, no companies were using it. In 1953 there were only 85.

Try This Problem Yourself

Here's a trivial problem in distribution, prepared for FP by E. E. Sorensen, president, Operations Research Society of Toronto.

Try it yourself. You won't be able to solve it unless you understand "linear programming."

Problem: You have two plants, one in Toronto, one in Montreal, both making the same unit.
You have three sales areas, Peterborough, Kingston, Ottawa.

How many units would you send to each sales area from each plant to achieve the maximum profit? What is the maximum profit?

Here is the relevant data:

Plant	TORONTO			MONTREAL		
Max. Plant Capacity (Units)		200			400	
Plant Cost ($ per Unit)		150			170	
Freight Cost ($ per Unit)	25	20	37.50	30	32.50	28
Sales Area	**Peterborough**	**Kingston**	**Ottawa**	**Peterborough**	**Kingston**	**Ottawa**
Max. Sales (Units)	240	360	160	240	360	160
Sales Price ($ per Unit)	225	215	220	225	215	220
Profit ($ per Unit)	50	45	32.50	25	12.50	22

The solution is obtained by linear programming.

Maximum profit is obtained by shipping 200 units from Toronto to Kingston, 240 units from Montreal to Peterborough and 160 units from Montreal to Ottawa. Total profit is $18,520.

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SALES AGENTS in Fort William, Ont., Halifax, N. S., Moncton, N. B., Quebec, Que., St. John's, Nfld., Vancouver, B. C.

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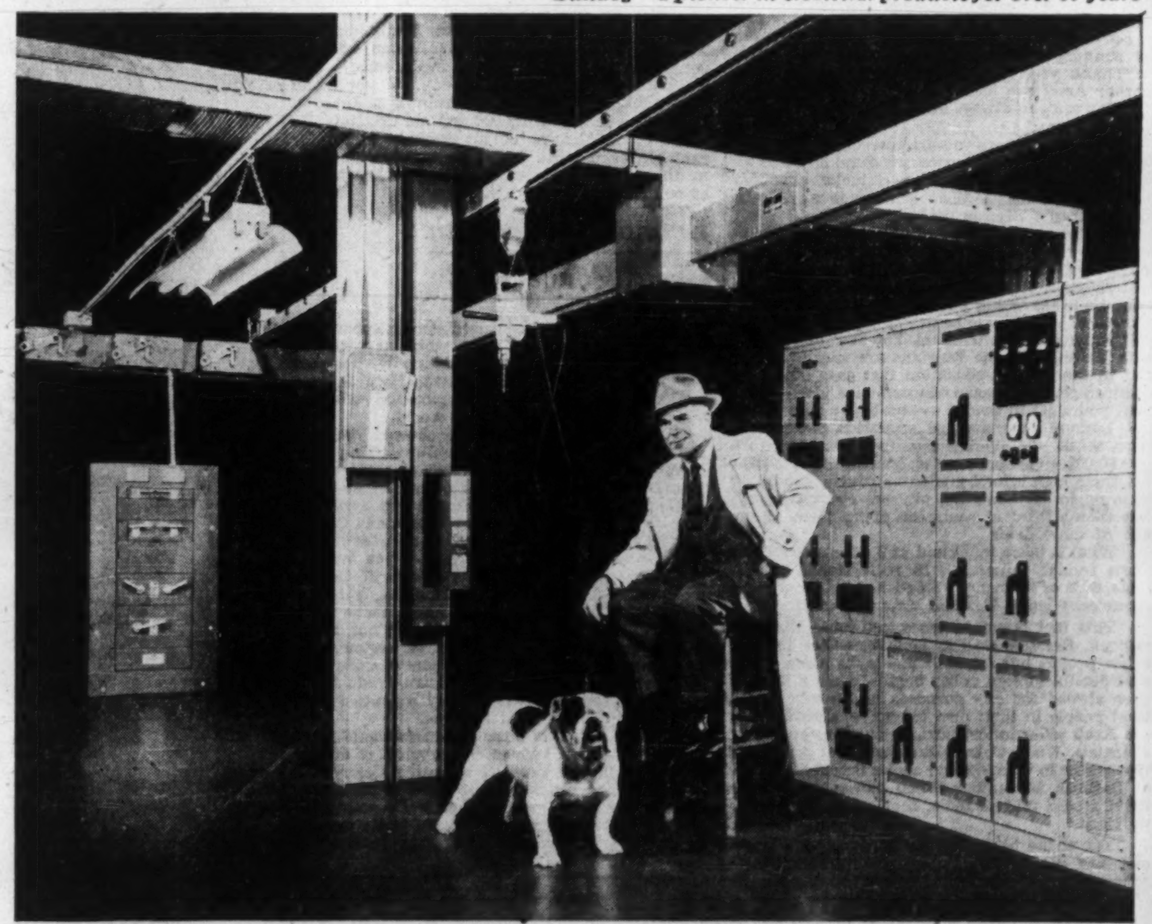

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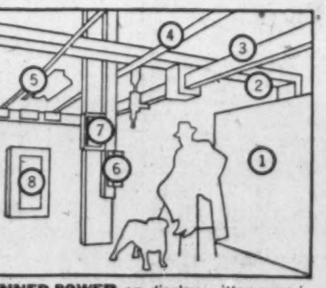

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The Challenge of Sputnik

The significance of the Russian achievement in launching sputniks lies not in space but in the effect it could have on our daily lives, our prosperity and our security.

Dr. J. E. Keyston, vice-chairman of Canada's Defense Research Board, writing as a private individual, carefully analyzes the new situation.

This leading scientist suggests that Canada, despite comparatively small resources, can make important contributions to the strength of the western world.

He tells us . . .

What Canada Can Do About It

By Dr. J. E. KEYSTON

Russia has made numerous claims to scientific and technological "firsts."

Many of these claims have been so transparent and far-fetched they have only caused amusement in the West.

Others have been nearer the truth, so that we have been hard put to defend our own priority.

Nothing Russia claimed or achieved, however, was admitted by us as a genuine first until the sputniks were launched into space.

Scientists and engineers who appreciated the standards of work required to achieve this feat were quick to praise it.

The significance lay in the unquestionable proof it provided of Russia's capacity to gain a lead over the U. S. in a selected field of technological competition.

Two aspects of the Russian success deserve special consideration:

The first is the pace of Russian advance.

It is worth reflecting here that for years after the revolution in 1917 there was bloodshed, chaos, and confusion in Russia. It was hard to recognize there any educational systems as we know them.

When World War II ended, the Soviet state was still way behind the U. S., Canada and Britain in scientific and technical education.

Moreover, they were left with a ravaged land and a mammoth task of rehabilitation and reconstruction.

Yet in 12 years they have reached the point where they are seriously disputing the West's technological leadership in some very important directions.

The pace of this achievement is far more impressive than the simple fact that she is now level with us.

The inference, of course, is that the next 20 years will take her far out in front of us unless — vain hope — she now slows down, or — more possible — we in the West find the resource and energy to accelerate our own pace.

The second important aspect is the nature of the Soviet success.

It seems possible from the observed performance of Sputnik II that Russia may have discovered some new or greatly improved propellant.

New propellant used by USSR?

The broad characteristics of her success, however, has been much less in relative capacity for scientific discovery than in relative capacity to apply scientific knowledge speedily and produce technical equipment.

In the development of satellites, of military rockets, of nuclear weapons and of jet aircraft the Soviets have demonstrated ability to make speedier progress than the West from acquisition of the basic scientific knowledge to fabrication and operation of the end product.

A ready-to-hand explanation lies in supposing that they have applied far more manpower and money to these than the U. S. has, and that many directions in which the U. S. has wisely been spreading its resources have been neglected by Russia in the interest of concentrated effort.

Sheer weight of applied resources is undoubtedly a good part of the reason for the Russian successes, but I feel sure it is not the whole explanation.

We must deduce that the pace of Russian post-war technological advance is due to the evolution of improved patterns of organization for the application of scientific knowledge to a practical objective.

Whatever these patterns of organization may be, they are certainly not a unique feature or consequence of a Communist regime.

It is possible to dragoon and discipline men to produce more output from salt mines.

It is not possible to apply tyrannical methods or Communist doctrine to speed up the productivity of highly educated, skilled, imaginative scientists and engineers.

The satellite story teaches that we in the West have something to discover in the evolution of technical development organizations.

We need studies on how best to take a technical project from the research stage through the

DR. J. E. KEYSTON

development phase to the production of end items.

In fairness to ourselves we should note that our own technological record over the last few years has been far from poor.

Among many good developments there have been just a few that qualify for the exceptionally successful category.

Western record isn't so bad

In the short list of attainments that have been as brilliant on their own scale as anything Russia has done, one could include:

- The U. S. development of the Nautilus nuclear propelled submarine.
- Britain's development of the Calder Hall nuclear power station.
- Canada's development of the Iroquois jet engine.

The magnitudes of these technological developments are smaller and they are less spectacular than the satellites but the same pattern of swift and assured progress.

Many more projects, unfortunately, have dragged on and on in time, up and up in expense, and in the end have produced nothing to be proud about.

There is, I consider, a strong case for thorough examination and analysis of the organizational features of projects, successful and unsuccessful, with a view to perceiving and understanding the ingredients of success.

Not only the characteristics of organizations but also those of their key personnel should come within scope of scrutiny.

We should ask ourselves:

- Has there been a significant common denominator in our successes?
- What have our failures had in common?

U. S. worry over the possibility of being technologically outpaced by Russia is centring primarily on the weapons of military attack and defence.

Economic Fight

I personally incline to the view that the major East-West war we are heading for is an economic struggle.

The tremendous Russian technical educational program with its huge output of engineers could be a more serious economic threat than military threat.

The satellite implies just as much need for industrialists as for the armed services to examine the soundness of their technical development organizations.

It is, to my mind, something of a handicap to the Western democracies that most of their military and industrial organizations have been relatively long established.

Industrial and military leaders alike should ask themselves this question:

"How different does my organization look now compared with 25 years ago?"

If the answer is "Much the same," there is cause for concern.

What about the direct military implications of the satellite?

In the public mind they are being exaggerated because these earth-circling bodies have produced a sudden appreciation that no place on earth is too far away to be reached by a missile.

The time-scale of the ICBM threat may appear a little nearer than some estimates, but that is all.

Russia will still require considerable time to perfect manufacture and stockpile ICBMs. During this period, the defense and the counter-offensive will also advance.

The satellite, then, is a dramatic herald of a future dominated by missiles instead of by aircraft.

The transformation will take time and the manned bomber and interceptor fighter will steadily decline in importance, but no thinking military scientist believes they are due for the scrap-heap in less than a decade.

Possible role for Canada

It is of interest to speculate in what directions Canada might make a significant technical contribution to Western defence in the coming years.

What possibilities lie within our financial means? The answer, I think, lies in the need for new organizations to suit the scientific shape of military things to come.

Because Canada's military size is relatively small we have the chance to study and try out new military organizational patterns.

In the Defence Research Board itself we already have a relatively rare example of a military organization initiated in the post-war scientific environment.

It was based on a study of all the different peacetime and wartime research organizations of the allies and a selection of their better features.

The tri-service, all civilian board differs markedly from defence research organizations in the U. S. and the U. K.

Its initial shaping was not handicapped by any requirement to suit traditional arrangements or vested interests.

More productive of new ideas

On the other hand, it is neither accident nor surprise that per unit of scientific manpower and expense the Defence Research Board has been more productive of research ideas and results than the older established defence research organizations.

This assertion cannot be proven in a brief, unclassified article and may sound like boasting.

Allied Recognition

Justification for it derives from the fact that our allies are recognizing this conclusion and impressing it upon us.

It seems very probable to me that before long the essential features of the Canadian organizational pattern for defence research will commend themselves to, and be copied by, one or more of our allies.

In this way—by demonstrating the example of a more effective organizational pattern for defence research — Canada might make a contribution to the total Western military effort out of all proportion to our size.

The opportunity for setting an improved organizational pattern is by no means limited to the research aspects of defence.

In the evolution and testing of new service organizations appropriate to the era of nuclear missile war the Canadian services could well take a lead and set an example to the much bigger and in many ways less flexible service organizations of our major allies.

Our relative youth puts us in a privileged position to meet the basic challenge of this age of swift-moving scientific and technological advance.

There was a time when the Old Country "saved herself by her exertions and Europe by her example."

This is now a time when a new country's example could be extremely helpful to the Western world.

Company Report

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Food

MANITOBA SUGAR CO., Fort Garry, Man., net profit of $546,185 for year ended Sept. 30, 1957, compared with net loss of $114,537 for six months ended Sept. 30, 1956. Company changed the date of its fiscal year from March 31 to Sept. 30.

Net profit and sales were a record caused by improved sugar prices and an excellent crop, which produced 62,492,900 lb. of sugar, says President Forrest Rogers.

Improvement in sugar prices was the result of poor crops in both Cuba and Europe during 1956, and threat of war due to the Hungarian and Suez situations that year. Prices reached a peak in April 1957 and are still above those of a year ago.

Payment for beets will also be a record but final results will not be known until all production from 1956 crop is sold.

Several improvements were made to factory at Fort Garry.

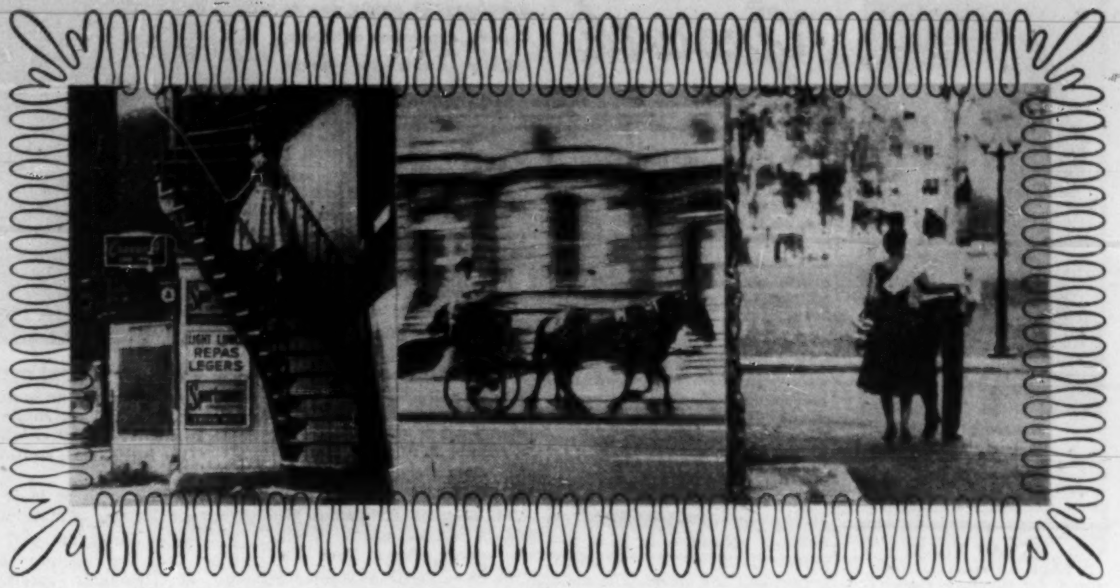
Company expects 1957 beet harvest will result in lower sugar production owing to floods in some districts and (due to climatic conditions) lower sugar content. Present estimates indicate production of over 50 million lb. which is considered satisfactory.

INCOME ACCOUNT

	Year ended Sept. 30 1957	6 mos. to Sept. 30 1956
Net earnings	$1,317,205	$30,764
Less: Deprec.	290,233	126,365
Advanced exp.	....	118,216
Inc. tax res.	480,787	‡99,280
Net profit	546,185	•114,537
Less: Pref. divds.	90,000	45,000
Surplus for year	456,185	•159,537
‡Credit.		
•Loss or deficit.		
Sales	6,937,100	3,078,774
Earnings per Share and Dividend Record:		
Pref.: Earned	$36.41	d$7.64
Paid	6.00	3.00
Com.: Earned	13.42	▴d4.69
None paid.		
▴After deducting 6 mos. divds. on pref. shs.		
Shares o/s as at Sept. 30:		
6% Cum pref.	15,000	15,000
Common, n.p.v.	34,000	34,000

CONDENSED BALANCE SHEET

As at:	Sept. 30 1957	Sept. 30 1956
Cash & deposits	$1,224,215	$309,052
Accts., etc., rec.	455,326	545,353
Inventories	1,322,966	1,004,600
Total curr. assets	3,002,507	1,859,0[illegible]
Def. & pref. chgs.	113,690	122,853
Fixed assets	4,648,128	4,396,377
Total assets	7,764,325	6,378,235
Due bank	....	87,714
Accts. pay.	782,246	446,285
Pref. divd.	45,000	45,000
Taxes	480,787	....
Total curr. liab.	1,308,033	578,999
Funded debt	120,000	160,000
Deprec. res.	2,852,559	2,611,688
Capital stock	1,500,000	1,500,000
Surplus	1,983,733	1,527,548
Working capital	1,694,474	1,280,006



Every inch a lady — if not always discreet: this is a candid portrait of the Grand Duchess of Canadian Streets.

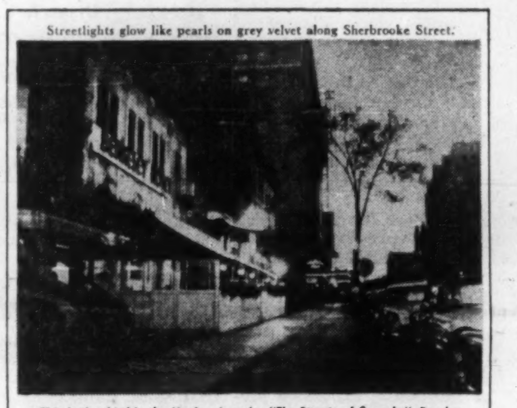
"naturellement!"

... this is part of the picture

This is Sherbrooke Street, that "grand old lady" of Montreal; that half-boulevard, half-legend, old enough to know Maisonneuve. Here is booming big business as modern as tomorrow — yet somehow it's rural, almost ageless, definitely a part of the old world.

So, naturellement! — It's Maclean's that brings you this unforgettable pageant of two peoples living together as Canadians. In the current Maclean's. each page of true-to-life color, and each sparkling word of fresh and friendly writing so rich in history, tells of a distinctive "way of life".

Streetlights glow like pearls on grey velvet along Sherbrooke Street.



This is the third in the Maclean's series "The Streets of Canada". Readers have already taken fascinating walks along **Spadina Avenue**, in Toronto, and **Main Street**, in Winnipeg.

Others are to come: soon you will read of the arteries of the West coast, and study the main roads of the Maritimes. Each will bring the heart of a great city and its people into the homes of two million Canadians from coast-to-coast.

This "way of life" — this Canadian tableau — is in tune with Maclean's theme of *bringing Canada to her people*. And the originality used in its presentation has created a reader appreciation and respect for the entire magazine:

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ANNOUNCEMENT

BERNARD DE BREYNE

whose election to the Board of Directors of L. G. Beaubien & Co. Limited, Investment Dealers is announced by Mr. Gerald G. Ryan, O.B.E. president.

HAWAII PLANT

A plant in Hawaii has been acquired by **Diversey Corp.**, Chicago, manufacturers of chemical products and detergents for industrial use. Other Diversey plants are at Clarkson, Ont., and Montreal.

Growth

Manufacturing plants new to Canada, expansions of existing industry across the nation

Areas, industries are invited to report their progress in this column

New Style Lighting

Handling nearly 2,000 combinations of shape, size and color out of a stock of 10,000 items is an everyday job for **Rotaflex of Canada Ltd.** which is in the process of building up markets here for its new type lighting fixtures.

Rotaflex Canada is an offshoot of a U. K. firm of similar name which, in turn, is part of the 17-company **Rotaflex International.** Features of its product lines are spun, cellulose acetate shades which are integral parts of the fixture units.

The shades are made from a plastic coil or combination of different colored coils, spun together by a process patented throughout the world. The coils are hollow, obtained by a normal extrusion process, and are extremely light in weight. It's claimed that they combine the translucency of glass with the resiliency of plastic.

The fixtures came on the Canadian market for the first time some months ago after Rotaflex established showrooms at Church St., Toronto. Now they are selling through outlets in most parts of Canada for industrial, commercial and residential use.

Presently the company is doing some assembly work in Toronto on components. The units are shipped from the U. K. As the market develops, states Rotaflex, manufacturing facilities will be set up in Canada.

The Rotaflex companies also produce waste-baskets, flower-pot holders, flower and fruit bowls in a variety of colors and color combinations.

All pendant Rotaflex electric fittings are sold with cord sets which consist of a lampholder, ceiling plate and cord approved by CSA. Hanging fixtures need only the cord to support them.

* * *

Village Scores

A town in Ontario looks like losing one of its industries to a village in the same province. The reason: economics.

Beatty Bros. Ltd. has decided to cease production of wooden ware products in its Grand River plant in Fergus and plans to carry it on in Lucknow where a property is being acquired "when satisfactory conditions are met by the village."

States the company: The reason for the move is entirely an economic one. The company cannot compete in this line of merchandise under present conditions of cost of labor and overhead, including taxes.

Georgian Bay Development Association got the projected move rolling and Lucknow is seeing it through. The property in which Beatty Bros. is interested is the idle furniture plant of **Lucknow Industries.**

It was one of three buildings in Georgian Bay municipalities which Association General Manager Neville Keefe was able to suggest when Beatty Bros. announced they were looking for a property of approximately 30,000 sq. ft.

No decision on the future use of the company's factory at Fergus has yet been made.

* * *

Vinyl Products

A substantial expansion program which will increase the working area of its London, Ont. plant by 75% has been announced by **Heaman Paint Co.**

The addition will extend westward from the plant, located on Margaret St., to provide a working bay of two stories. A penthouse is also to be built to permit gravity flow of materials.

Playing an important part in the need for the expansion are some of Heaman's specialty products including Vinsynite, vinyl strippable coating and anti-corrosive. Vinsynite is an anti-corrosive primer for metal and, it's claimed, when a vinyl finish is applied, gives a lasting surface.

* * *

Pipeline Business

To meet the demand for fast service to the pipeline industry. **Crose-Curran Ltd.** has closed its Winnipeg warehouse and opened a branch at 910 South Syndicate St., Fort William, Ont.

The company has also closed its office in Oshawa and reopened at 19 Brydon Drive, Rexdale, on the outskirts of Toronto.

J. W. Brand, vice-president of Crose-Curran Ltd., Edmonton, stated the policy of the company was to be an immediate source of supply to the gas and oil transmission pipelines.

* * *

Vancouver Branch

George Kent (Canada) Ltd., engineers for measurement and control, with head office and plant in Toronto, has opened a Vancouver office at 2760 West Broadway, adjoining the premises of its former Vancouver representatives, **Sealand Products Ltd.**

Denis Bryan, who has worked with Sealand Products for George Kent (Canada) for the past two years, has been appointed Vancouver Branch Manager.

George Kent (Canada) also has a branch in Montreal and is represented by **Purves Industrial Sales**, Halifax; **M. F. Mills Supply Ltd.**, Fort William; and **Mumford, Medland Ltd.**, Winnipeg and Regina.

* * *

Coffee Plant

Scott & Percy Ltd., Montreal realtors, announce the sale of the first industrial site on the Beique Estate in Ville La Salle, Que., to one of the world's largest food processors.

General Foods, Ltd. will shortly expand its existing Montreal facilities by building a soluble coffee plant on the newly acquired 29-acre site.

The Beique Estate is being developed by **Ravenseft Properties (Montreal) Ltd.**—a subsidiary of a well-known property development company in the U. K.

At the signing of the documents of sale, Leon Miller, president of General Foods, said: "Our present manufacturing facilities in Montreal are located in a downtown area with no room for expansion.

"Consumer demand for soluble—or instant—coffee has grown steadily in the ten years since we introduced our soluble brand to the Canadian public. We were therefore compelled to look elsewhere for suitable property on which to expand."

General Foods employs 340 persons in its present Montreal plant, where the main food items processed and packed are coffee, cocoa and chocolate. The company also maintains two plants at Windsor, and Cobourg, Ont.

* * *

Training Staff

The Mid-Western Ontario Development Association reports that **Imperial Tobacco Co.**, which announced purchase of 45 acres in Guelph last year, has leased space in the Tolton building there for the training of supervisory staff. The proposed new plant, expected to cost $10 million, is reported to be in the planning stage.

Also from Guelph comes announcement of the purchase of former plant No. 2 of **Hammond Manufacturing Co.** by British interests. **Linread Ltd.**, of Birmingham, England, a company serving world-wide markets, states it will occupy the building in the near future, and will operate under a Canadian charter, the new company to be named **Linread Canada Ltd.**

The company manufactures machine screws, sheet metal screws, stove bolts and nuts, aircraft rivets and other products.

Other growth news from the area includes these items:

—**Kayson Rubber and Plastics, Ltd.**, Galt, has announced the addition of 50,000 sq. ft. to their plant in Preston.

—Purchase of **Galt Metal Industries,** in Galt, by the **Walker Manufacturing Co.**, Racine, Wis.

—To start soon is the erection of a 13,000 sq. ft. addition to the **Elmira Furniture Co.**, Elmira. This industry, established for 55 years, was recently purchased by **Education Supply Association, Ltd.**, of England, largest manufacturer of school furniture and supplies in the British Commonwealth.

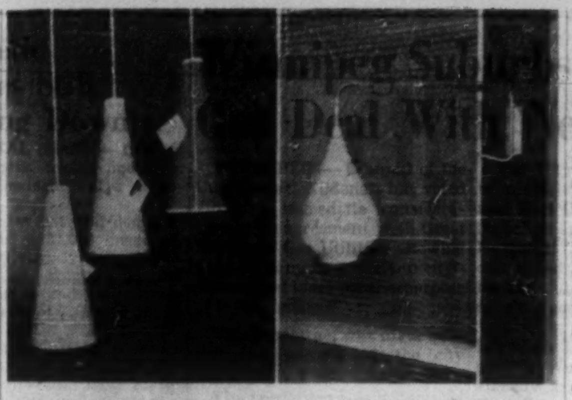
* * *

Building 'Tell-All'

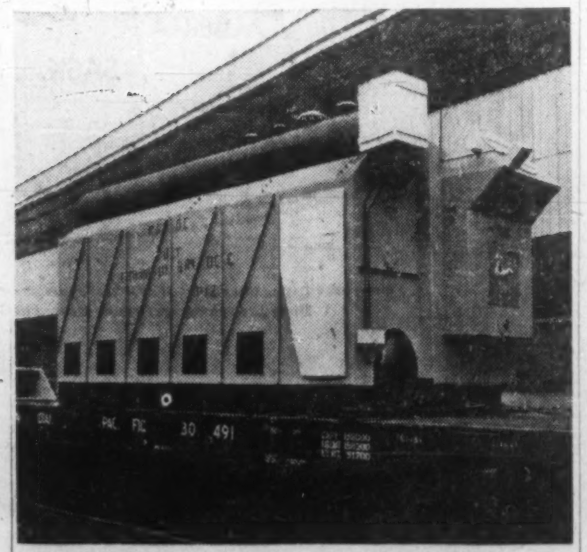
A pocket-sized encyclopedia of building information has been produced for home builders and contractors by **Pilkington Glass Ltd.**

The 160-page handbook took well over a year to prepare and contains a complete catalogue of the company's glass products. There is also a glossary of architectural, glazing and fixing terms and a building, reference or "how—to" section giving pertinent information on house construction from and including excavation to the final coat of paint.

For builders, glass dealers, salesmen and sash and door companies, it contains sheet glass footage tables, price lists and standard size lists for every type of glass. Illustrations offer suggestions for incorporating unusual glass applications into various types of homes.



NEW TYPE LIGHTING fixtures like these have only recently come on the Canadian market. The shades which are part of the fixture unit are made of cellulose acetate. The fixtures come in nearly 2,000 combinations of shape, size and color for industrial, commercial and residential use.



DESIGNED IN CANADA by Dominion Bridge Co. for industrial oil or gas users, this package water tube boiler has already been installed in steam-using plants in Quebec, Ontario, Manitoba and Saskatchewan. Specially made to save plant space and for shipment on one flat car as a complete unit, it weighs from 20 tons to 39 tons, according to size.

Ingersoll-Rand Expects Results About Same as '56

MONTREAL (Staff)—Financial results of **Canadian Ingersoll-Rand Co.** for 1957 will be roughly similar to those of 1956, it's expected.

Net profit in 1956 was $3.2 million on operating income of $6 million. Company showed spectacular growth of profit from 1954-56 inclusive. The increase: From $1 million in 1954 to $1.7 million in 1955 to $3.2 million.

Ingersoll-Rand manufactures a wide variety of mining, tunneling, oil, transmission, pulp and paper, compressor, pumping, air conditioning and refrigeration and other machinery.

It has a number of new pieces of machinery either just on the market or in research and development stage.

Majority control is held by **Ingersoll-Rand Co.** of U.S.

BUYERS

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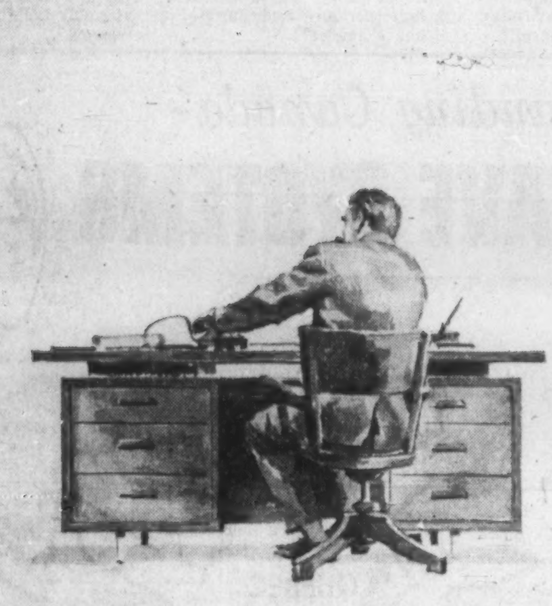
The Frankfurt International Fair coincides with the OFFENBACH INTERNATIONAL LEATHER GOODS FAIR which will take place from 1st to 6th March, 1958

For further information please contact:—

GERMAN CANADIAN TRADE PROMOTION OFFICE
Suite 1000 — 62 Richmond St. W., Toronto
Telephone: EMpire 6-3366



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THE
MANUFACTURERS LIFE INSURANCE COMPANY

HEAD OFFICE • TORONTO, CANADA

Established 1887

Balance Sheet as at December 31, 1957

ASSETS

BONDS		
Government and Government Guaranteed Securities	$ 84,714,089	
Municipal and Other Public Body Securities	65,171,087	
Public Utility Bonds	103,142,422	
Other Corporation Bonds	179,402,107	
		$432,429,705
PREFERRED AND COMMON STOCKS		
Preferred Stocks	15,261,377	
Common Stocks	18,656,622	
		33,917,999
FIRST MORTGAGES ON REAL ESTATE		201,335,265
LOANS ON THE COMPANY'S POLICIES		
Loans made to policyholders on the security of their policies in accordance with the provisions of the Company's policy contracts		35,644,702
OFFICE PREMISES AND OTHER REAL ESTATE		
Office Premises	6,100,000	
Other Real Estate	20,913,776	
		27,013,776
INTEREST ACCRUED BUT NOT DUE		7,935,282
OUTSTANDING PREMIUMS		9,741,227
CASH		13,651,924
		$761,669,880

LIABILITIES

INSURANCE AND ANNUITY RESERVES The actuarial liabilities of the Company in respect to its insurance and annuity contracts	$619,719,062
DEATH AND DISABILITY CLAIMS AWAITING PROOF Claims of which the Company has received notification but for which the necessary documents are not yet complete	4,187,071
PROVISION FOR UNREPORTED DEATH CLAIMS Provision for death claims which may have occurred but notification of which has not been received by the Company	1,000,000
AMOUNTS ON DEPOSIT Policy proceeds, dividends and other amounts left on deposit with the Company by policyholders and beneficiaries and accrued interest thereon	43,683,093
PROVISION FOR DIVIDENDS TO POLICYHOLDERS Policyholders' dividends to be paid during 1958 and provision for accrued dividends under quinquennial and other deferred dividend policies	7,151,341
OTHER LIABILITIES TO POLICYHOLDERS Miscellaneous credits to policyholders' accounts	3,042,750
COMPANY RETIREMENT PLANS The accrued liability of the Company in respect to the pension funds to which the Company and its employees jointly contribute, together with provision for pensions to agents under their contracts	11,693,372
GOVERNMENT TAXES ACCRUED Provision for Federal, Provincial and State taxes payable in 1958	2,036,394
SUNDRY LIABILITIES Accrued rents, salaries, commissions, suspense items, Shareholders' dividends, etc.	6,375,521
SHAREHOLDERS' FUND Fully-paid capital stock of $1,500,000 plus balance standing to the credit of the Shareholders' Account	3,733,718
GENERAL RESERVE	8,000,000
CONTINGENCY RESERVE	12,500,000
SURPLUS	38,547,558
	$761,669,880

NOTE—Sterling and related currency items are converted into Canadian Dollars at $2.80. United States Dollar items are converted at $1.00 Canadian.

J. H. LITHGOW
Chairman of the Board

G. L. HOLMES
President

AUDITORS' REPORT TO THE POLICYHOLDERS AND SHAREHOLDERS

We have examined the balance sheet of The Manufacturers Life Insurance Company as at December 31, 1957 and the income account for the year ended on that date and have made a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. We have received all the information and explanations we have required.

The market value of the bonds and stocks at December 31, 1957, in our opinion, is in excess of the value at which these assets are carried in the balance sheet.

Reserves and other liabilities under policy contracts are stated at the amounts certified by the company's actuary; subject to this we report that in our opinion the accompanying balance sheet and related income account have been drawn up so as to exhibit a true and correct view of the state of the company's affairs at December 31, 1957 and of the results of its operations for the year ended on that date, according to the best of our information, the explanations given to us and as shown by the books.

Toronto, Canada,
January 13, 1958.

CLARKSON, GORDON & CO.
Chartered Accountants.

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Vice-President

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10-58

Bird Burials

If Bertie the Budgie passes on, you can bury him in a proper casket — for $6.50 . . .

This husky he-man — whose sales brochure is entitled "A Final Tribute to a Feathered Friend" — finds that sentiment pays strange dividends . . .

By GEORGE M. TOLES

You might say this business is for the birds!

Robert N. Carpenter of Buffalo, N.Y., has developed a highly successful enterprise making bird caskets.

He is getting orders from all over for his canary and parakeet burial trappings. How did he get started? Through the classified section of the phone book.

Carpenter is a specialist in the repair of binoculars, microscopes and telescopes.

"A woman scheduling ads for the classified section pointed out to me that I was the only one listed under binoculars," said Carpenter.

"Then she mentioned that an elderly woman in Albany, N.Y., had tried to get a listing under bird caskets and had been denied. I didn't think anything of it at the time. Later the wheels started turning."

A lot of Carpenter's customers are ornithologists. "They talk about birds all the time. People grow very fond of them — especially their pet canaries and parakeets."

Carpenter scouted pet stores and found only one type of bird casket — a crude, square box of wood. Carpenter believes in a casket shaped like a casket.

Ceramic Casket

After trial and error he came up with the idea of a ceramic casket, which he felt would combine beauty and durability against erosion.

With Mrs. Ruth Comstock, a relative who is a ceramic worker, he mapped out details for the 7 in. by 3 in. caskets.

All are white, with linings of bird colors — green, blue and yellow. On top of each is a delicately molded bird and hand painted flowers.

All of the firing and finishing is done by Mrs. Comstock. Carpenter helps pour the mix into the molds in his spare time. His first efforts at sales were in pet shops. Most of these now carry his line.

When a sizable stockpile had been built, Carpenter ran an ad in a pet store trade journal.

"Believe me, I'm sure sold on advertising," said Carpenter. "The orders began coming in from pet stores all over the country."

With his patent on the ceramic casket, he began trying to design a lower priced casket than the delicate, hand-made ceramics model.

He hit on a plastic affair, complete with tiny pillow. The ceramics casket retails for anywhere from $4.98 to $6.50, the plastic from $1.79 to $2.

Good Sales

"The odd thing is that I've had more sales for the ceramics than the cheaper plastic caskets," he reported. "Pet store owners tell me that people don't like to put a price on sentiment."

In his brochure, "A Final Tribute To A Feathered Friend," Carpenter points out that a dignified burial is a small price compared to the cost of keeping a bird over the years.

A canary, he points out, will average seven years of life and the bird will consume up to $30 worth of food a year.

The parakeet's average age, he said, is about 15 years and he eats up $34 worth of food a year.

Carpenter, a husky, he-man type, has served 16 years in the U. S. Marines and is a captain in the reserve. He takes a lot of ribbing from Marine Corps buddies over the bird casket business, but instead of being miffed, he turns the scoffers into customers.

"The caskets are going over so well," he noted, "I'm seriously considering putting out a line of bird monuments."

Synthetic Textiles Still Heading Down

MONTREAL (Staff) — In Canada's synthetic textile industry: Continuing evidence of a downtrend.

In November last year domestic mills shipped 6,781,000 linear yd. of fabric, off slightly from 6,825,000 linear yd. shipped in the previous month and 5.3% lower than shipments of 7,162,000 yd. in November, 1956.

A further reduction in shipments is expected in the December-January period. Most major mills had a two-week shutdown over the holiday season.

Heavy imports of distress-priced merchandise from the U.S. were blamed by domestic producers for the mill closings.

By the first of this week, most of the mills having shutdowns had resumed production.

WAINWRIGHT PRODUCERS & REFINERS 1957 sales and other operating revenue totaled $3,625,646 compared with $2,534,801 for 1956, an increase of 43%. Not included in these figures are the sales of Stewart-Davis Oils Ltd., a subsidiary, which also increased substantially.

Winnipeg Suburbs to Study Gas Deal With New Firms

WINNIPEG — Council of the City of East Kildonan has voted "to give immediate consideration to an agreement with **Great Northern Gas Utilities** allowing the company to enter the city's streets and lanes for the purpose of laying mains."

This resolution was made subject to approval of the city engineer.

The resolution also authorized first reading of a bylaw to allow the company to make its installations.

East Kildonan has a population of 20,100 with about 5,300 homes which could be connected for gas service.

No decision has been reached yet by St. Boniface on applications by **Great Northern** and **Great Plains Gas Co.** to serve that suburb. **Winnipeg & Central Gas Co.** already has mains in part of St. Boniface and at end of the year was supplying 1,065 customers.

The City of St. James and the municipalities of West Kildonan and Fort Garry are negotiating franchise agreements with Great Northern. The agreements when completed have to be approved by the public utility board before the company can undertake any work. Applications to the board are likely within the next month. Winnipeg & Central is already serving St. James and Fort Garry.

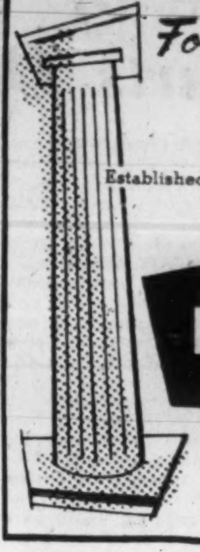
Queen's Campaign Tops $4 Million

A Canada-wide campaign conducted during 1957 to raise $4 million for Queen's University, Kingston, Ont., has gone over the top.

N. R. Crump, president of **CPR** and general chairman of the fund drive, put the total of contributions at $4,051,500 as of Dec. 31. Some delayed subscriptions were still expected.

The fund will provide part of the cost of a $9.2-million expansion program to be carried out at Queen's over the next five years. As a result of the campaign, construction is under way on a new $1.1-million engineering building and a $900,000 students' residence.

Fund divisions were active in some 20 cities across Canada.



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Defense Contracts

Here's a list of defense contracts for $10,000 or more awarded to Canadian firms during the first half of December by the Department of Defence Production and Defence Construction (1951) Ltd.; it totals $4,275,043.

Largest contract, for $1,169,738, was awarded to Commonwealth Construction Co. for construction of an armament depot at Esquimalt, B.C. The list excludes amendments to earlier orders and anything on the "secret" list.

Contracts awarded by the Department of Defence Production

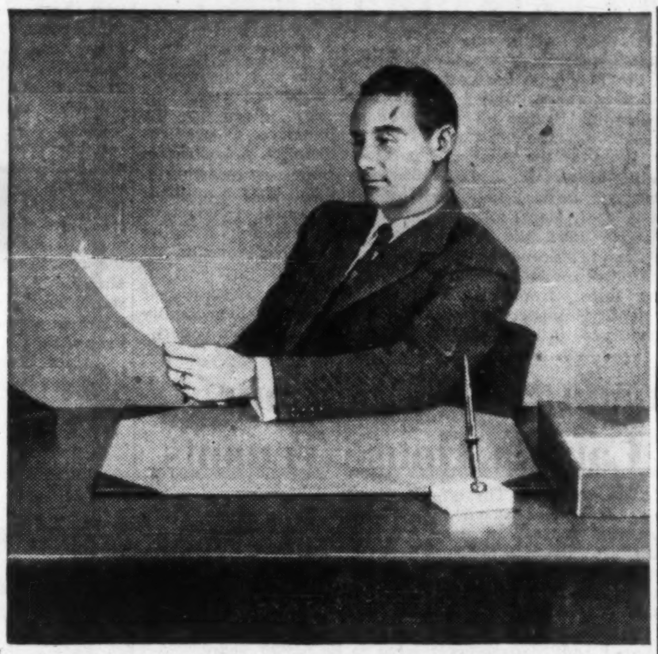
Contractor; Commodity	Value
Ash Temple Ltd., Toronto; dental equipment	$ 16,478
Bach-Simpson Ltd., London, Ont.; aircraft spares	41,522
Beaconing Optical & Precision Materials, Montreal; fire control equipment	31,215
Bell Telephone, Ottawa; teletype facilities	146,639
Canada Packers, Halifax; meat	24,425
Canadair Ltd., Montreal; publications	10,000
Canadair Ltd., Montreal; aircraft accessories	15,699
C.G.E., Toronto; electronic equipment	78,423
Cdn. Marconi, Montreal; radio equipment	52,144
Cdn. Marconi, Toronto; electronic tubes	444,075
Cossor (Canada) Ltd., Halifax; electronic equipment	55,264
Cruickshank-Guild, Montreal; canned goods	161,204
Curtiss-Wright, Montreal; publications	46,361
Curtiss-Wright, Montreal; aircraft accessories	14,021
De Havilland Aircraft, Toronto; aero engine spares	79,413
Electrical Mfg., Montmagny, Que.; ammunition components	20,917
Ferguson Ind., Pictou, N.S.; refitting ship, etc.	102,000
Louis Fischl Glove, Prescott, Ont.; clothing	15,859
Foulis Engr. Sales, Halifax; grinding machine, etc.	33,129
Hampton Mfg., Quebec; clothing	14,128
Holden Mfg., Hull, Que.; kit bags	80,270
Instruments (1951) Ltd., Ottawa; publications	27,301
Kingston Suppliers, Vancouver; canned goods	10,068
Liquifuels Ltd., Toronto; fuel oil	13,525
Lucas-Rotax Ltd., Toronto; ship machinery spares	11,543
Moffats Ltd., Orillia, Ont.; ships' furniture	10,949
Northern Electric, Ottawa; telephone spares	211,689
Pacific Petroleums, Calgary; aviation turbine fuel	23,325
Penmans Ltd., Paris, Ont.; clothing	12,587
Plastomer Ltd., Barrie, Ont.; dinnerware	11,105
Radio Communications Equip. & Engineering, Lachine, Que.; electronic equipment	22,403
Railway & Power Engineering, Toronto; sanding machines	12,100
Rex Machine Tool, Toronto; lathes	17,265
Russel-Hipwell Engines, Owen Sound, Ont., electric plants	29,025
T. S. Simms & Co., Saint John, N.B.; broom heads	14,070
S. Smith & Sons (Canada), Toronto; spark plugs	13,248
Stanley Mfg., Toronto; aircraft navigational equipment	69,030
Tip Top Canners, Greensville, Ont.; canned goods	85,669
Underwater Services, Montreal; marine safety equipment	13,515
Viking Brush Co., Montreal; broom heads	10,668
York Farms Ltd., Toronto; canned goods	84,187

Contracts awarded by Defence Construction (1951) Limited

Contractor; Commodity	Value
Atlas Construction Co., Montreal; naval reserve division building — Charlottetown	321,000
Banfield and Miles, Fairview, N.S.; interior painting of apartments — Halifax	23,670
Beaudet & Fils Enr., Quebec; prefabricated building — Valcartier, Que.	13,650
Canadian Comstock Co., Vancouver; extension to air pipe line distribution system — Esquimalt, B.C.	37,944
Commonwealth Construction Co., Vancouver; armament depot — Esquimalt, B.C.	1,169,738
General Construction Co., Vancouver; conversion of railway bridge to vehicular traffic, etc., construction of trestle bridge — Northwest Highway System	282,348
Helge Harvest Painting Co., Vancouver; painting of building —Victoria	19,715
Northern Plumbing Ltd., Val d'Or, Que.; extension to central heating plant — Parent, Que.	22,500
Poole Engineering Co., Edmonton; ferry approaches at the Peace River suspension bridge and a south approach road — North West Highway System	91,535
John Thompson-Leonard Ltd., London, Ont.: boiler—Dartmouth, N.S.	106,515

Remington Electrics make your letters as up-dated as your business

The Remington Electric types letters that rival fine printing — impeccable and professional looking letters that add prestige to your business.



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You get both up-dated letters and happy secretaries with the Remington Electric. A choice, too, of over 100 distinctive type styles, and ribbon colours to complement your letterhead.

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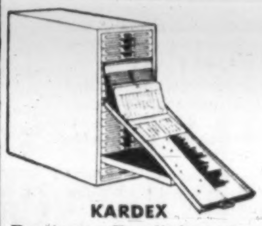

KARDEX

Remington Rand's instant-location visible record. Facts are telegraphed at a glance for immediate action. Fast, accurate Kardex cuts time-consuming routine. Saves space and money on inventory control, personnel or purchase records, maintenance records and countless other applications.

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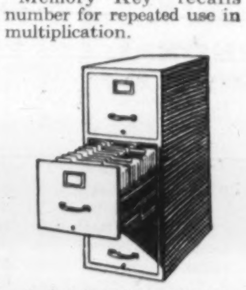
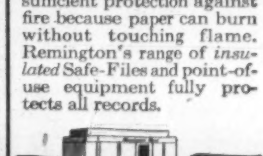
The automatic printing calculator with *all* the answers. Prints as it proves on Simpla-Tape. Adds, subtracts, multiplies and divides automatically, recording only essential elements. 10-key touch-method keyboard for finger-fast speed. "Memory Key" recalls number for repeated use in multiplication.



RECORD PROTECTION

43% of all businessmen who lose their records by fire go bankrupt. That's why you need reliable protection. Ordinary steel files give insufficient protection against fire because paper can burn without touching flame. Remington's range of *insulated* Safe-Files and point-of-use equipment fully protects all records.



UNIVAC

Univac, the first so-called "giant brain", the first data automation system, now satisfies the needs of every type of business, large or small. Today, Univac is the first choice of management in industry—in government—and in the field of science.

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EDMONTON — 9910 109th St.
FORT WILLIAM — 113½ Simpson St.
FREDERICTON — 15½ Cunard St.
HAMILTON — 51 King St. W.
KINGSTON — 107 Wellington St.
KITCHENER — 298 King St. E.
LETHBRIDGE — 423 Fifth St. S.
LONDON — 725 Dundas St.
MONCTON — 19 Bonaccord St.
MONTREAL — 700 Lagauchetiere St. W.
MOOSE JAW — 12 Ominica St. W.
NANAIMO — 7 Church St.
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QUEBEC — 100 D'Youville Square
REGINA — 2120 Broad St.
ST. CATHARINES — 78 Queenston St.
SAINT JOHN — 53 Dock St.
SARNIA — 143 Cromwell St.
SASKATOON — 265 3rd Ave. S.
SAULT STE. MARIE — 199 North St.
SHERBROOKE — 102 Wellington St. N.
SYDNEY — 437 Charlotte St.
TORONTO — 984 Bay St.
VANCOUVER — 663 Richards St.
VICTORIA — 530 Broughton St.
WINDSOR — 699 Wyandotte St. W.
WINNIPEG — 361 Hargrave St.

ANNOUNCEMENT

JOINS INSURANCE BOARD OF DIRECTORS

JOHN P. LABATT

Announcement is made today by the management of the Portage la Prairie Mutual Insurance Company of the appointment of John P. Labatt to the Board of Directors, succeeding the late Colonel Arthur Sullivan QC, LLD. Mr. Labatt, Director of John Labatt, Ltd., London, Ontario, is Vice-President and General Manager of Shea's Winnipeg Brewery Ltd. He is also a Director of Kiewel and Pelissier Breweries. Born in London, Ont., 1928, Mr. Labatt received his education in preparatory schools in London and graduated from the University of Western Ontario and later attended the University of Chicago. He followed the family footsteps in the brewing industry and received his Master Brewers certificate from the United States Brewers Academy. After working his way up the ladder with the John Labatt Ltd., in London to the position of Assistant to the President, he moved west to accept the appointment of Vice-President and General Manager of Shea's Winnipeg Brewery Ltd. Mr. Labatt is a member of St. Charles Country Club and is a member of the advisory board of Misericordia General Hospital. He is also a member of Manitoba Provincial Committee Air Cadet League of Canada.

Use of 'Secret' Document Starts Ottawa Arguments

OTTAWA (Staff) — Hot controversy has been started here by Prime Minister Diefenbaker's publication of a secret official memorandum on the economic outlook presented to the previous government last March.

Some officials are indignant. Others are worried in case civil servants, fearing publicity, may no longer feel as free to state their honest opinion in confidence.

The two complaints are:

1. That it should have been "privileged." If an opposition member had asked either Liberal or Conservative ministers to produce similar reports from civil servants, he would have been refused. Does that mean such things should never be produced, or merely that they do not have to be produced on demand?

2. That its use was misleading, because the report represented only the views of one group of experts which sharply conflicted with others.

What was the status of the document?

It was drafted in February, 1957, by the small group of econometricians who form the section of "Economic Forecasting and General Analysis" in the Economics Branch of the Department of Trade and Commerce. Head of the economic forecasting unit is D. J. Daly. Director of the Economics Branch is V. J. Macklin.

In March, 1957, the report, called "Canada's Economic Outlook," was transmitted under a covering letter from M. W. Sharp, deputy minister of trade and commerce, to the Cabinet and to the few civil servants entitled to it. Mr. Sharp noted that it had been in the finance minister's hands before the budget.

It is marked "secret" both on the cover and the inside pages.

It was not clear this week whether Mr. Diefenbaker and his ministers understood the status which these reports from the Daly-Macklin group had under the old government. They formed a regular series, issued about twice a year. The Trade and Commerce forecasters held discussion meetings with other departments before compiling their reports on the outlook. Drafts were even circulated to some of the other experts. But there was no assurance that comments or criticisms would be accepted. The T & C men had the benefit of other advice, but it was up to them whether they used it.

Ministers, therefore, would normally regard a new report in this series as expressing one view of the economic outlook—one which would have to be considered but not a definite or unanimous expert view.

The officials and others who are most disturbed about the publicity now given to the Trade & Commerce experts' report say it implies an abdication of ministers' responsibility. They point out that a minister of finance planning a budget, or any other minister deciding economic policies, consults all sorts of people.

When Walter Harris last year was confronted with unusually conflicting advice from government experts, he talked to several people he trusted in business: not, of course, about details of his budget, but about the general outlook.

Donald Fleming, not yet faced with preparing a budget, has consulted many people from the business and financial world.

It has not been revealed whether the Bank of Canada or the Department of Finance presented Mr. Harris last year with their written views on the outlook. If they didn't, they certainly told him quite a different story from Mr. Daly's report.

There was once, during the war, an interdepartmental committee of "brain-trusters" charged to give the Cabinet an agreed view on the business outlook. But it was abolished in 1947. It was called the Advisory Committee on Economic Policy. It was appointed by order-in-council in 1940 and reported to the prime minister. The late Dr. Clifford Clark was chairman; and its other members included Graham Towers, from the Bank of Canada, Donald Gordon, from the Wartime Prices and Trade Board, Norman Robertson, from the Privy Council, and other deputy ministers such as Trade and Commerce.

But after the war and demobilization period, it was deliberately disbanded, because it was thought that a high-powered official body of this kind might in peacetime almost usurp the functions of the Cabinet. Ministers, it was thought, should be responsible for forming their own judgments on the basis of all the advice they cared to collect both inside and outside the government.

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$4 Million Sales Olivetti Expects

Olivetti (Canada) Ltd. sales should top the $4 million mark after three years of continuous operations here.

Company's sales objective was 20,000 units annually within two years. Present sales are about 11,000 units.

Sales in the first year were 2,500, and rose to 6,000 in the second year. A leveling off at 20,000 units seems a reasonable objective, said Marino Roberti, managing director of Canadian operations at the official opening of company's Toronto sales rooms.

These rooms will be available for small exhibits of art and architecture.

Company is the Canadian subsidiary of **Ing. C. Olivetti & C, S.p.A.**, Ivrea, Italy, one of the world's leading manufacturers of office equipment.

NEW TAX SOURCE

SAINT JOHN — Hard-pressed by rising costs and fixed income, Saint John is opening a drive for new tax revenues. The target is provincial government real estate—particularly the establishments of the Liquor Control Board. Mayor W. W. Macaulay wants full taxation of the LCB properties. He already has opened negotiations for higher revenues from federal properties in the city.

MEDALS FOR WRITING

University of Western Ontario, London, is again offering four "President's Medals" for writing—one each for a short story, poem, scholarly article and general article. Pieces must have been written by a Canadian citizen and published for the first time in a newspaper or periodical in 1957. Information may be secured from James J. Talman, the library, U. of W. O. Closing date is Feb. 28.

CANADIAN ART

It is expected that a million people will visit an exhibit depicting the history, culture and industrial development of Canada now on display at Los Angeles. The exhibit, sponsored and prepared by the Canadian Exhibition Commission, includes a wide range of Canadian items—running all the way from primitive Eskimo sculpture to a modern nuclear reactor. It also contains the C. S. Band collection of paintings and drawings, perhaps the best-known private group of Canadian pictures.

Canada Sets Conditions As Canada House Tenants

OTTAWA (Staff) — The off-again, on-again decision on whether the federal government will rent space in nearly-finished Canada House in New York is on again.

Government officials will huddle with **Canada House (New York) Ltd.** management, probably by this weekend, to complete signing of a 20-year lease.

William Zeckendorf Sr. of **Webb & Knapp, Inc.**, New York, who has a 5% interest in the once all-Canadian project, told **FP** he expected no difficulty to arise out of the government's demand that three conditions be met before it would move in.

The three:

1. **Space** will be ready by April 30, when present leases run out.
2. **Rentals** be not higher to the government than to others.
3. **The government** may move to a higher floor later, if it wants to at no increase in rent.

They were made after External Affairs Minister Sidney Smith said Monday that the government had decided after all to move from Rockefeller Centre.

Shortly after the election last June, the Conservatives decided not to move into the larger quarters in Canada House because the project seemed to be no longer sufficiently Canadian, either in financial or occupancy.

Friday, Jan. 17, both Zeckendorf and Ray Lawson former Lieutenant Governor of Ontario and later Canadian Consul-General at New York, the man who conceived the Canada House project, voluntarily appeared before the External Affairs Committee of MPs.

From their testimony, appeared these facts which led to the Conservative change of heart:

Proposed in 1953

Canada House, Lawson's brainchild, proposed in 1953, was to be a Canadian building, in which government offices and the New York offices of both Canadian firms and U. S. firms with business interests in Canada could be under one roof.

It was to be 26 stories high.

Financing was to be made possible by public-spirited businessmen who would put up $100,000 each. When rental profits had returned their equity, Canada House would be given to the Canadian people.

In May, 1954, Prime Minister St. Laurent told the House of Commons that no decision to rent space had been taken. On Dec. 14 he wrote Lawson indicating interest in 12,000 sq. ft.

In April, 1955, the promoters announced that a site had been acquired at 5th Ave. and 54th St.

On Oct. 19, 1956, the external affairs department at the Liberal government's direction, forwarded a letter of intent to J. B. Carswell, Toronto, Manager of Canada House (New York) Ltd. notifying him of an intention to lease two floors for $120,000 per year and 1,500 sq. ft. on the ground floor for the Canadian Government Travel Bureau for $36,000 a year, the lease to be for 20 years.

The Conservative government subsequently did not consider this a legally binding agreement.

Took Second Look

When they took power on June 10, the Conservatives decided to take a second look at the project and found:

—**No large** company in or associated with Canada had by then decided to take any space.

—**The Canadian Club** of New York had decided in Mar., 1955 not to move from its Waldorf top space.

—**A 50% interest** in Canada House had been bought in 1956 by Zeckendorf for Webb & Knapp, Inc. (the U. S. company).

Present accommodation for Canadian offices in Rockefeller centre is 11,424 sq. ft. rented for $75,232 per year. Intention had been to acquire an additional, adjoining 3,034 sq. ft. for $20,000.

Canadian Government Travel Bureau occupied ground floor space costing $19,597 a year.

Total present contemplated cost: about $115,000.

Against the size and cost of the present Rockefeller space is Canada House: the 3rd and 4th floors containing 17,300 sq. ft. for $120,000 a year, plus 1,500 sq. ft. on the ground floor for the Tourist Bureau at $36,000 a year. Total: $156,000 a year.

Additional cost if the move is made would be $41,000 per year — plus nearly $200,000 for cost of partitioning the Canada House space.

The deal was reduced to a straight commercial comparison.

Will Cost $10 Million

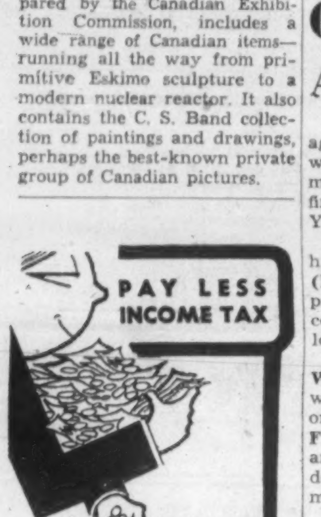
But last Friday, Lawson and Zeckendorf testified:

The building is now expected to cost $10.3 million.

The 28 original promoters put up $100,000 each and some of them put up another $750,000 together. Zeckendorf has put up $750,000 and a guarantee to make good on any other amount of down payment needed, in exchange for a 50% interest. **Prudential Life** holds a £6 million mortgage at 4¾%.

Abitibi, Rio Tinto, Southern Canada Power, Mannesman Tube have now signed leases. **(Trans-Canada Air Lines**, and branches of the governments of Ontario and New York State are expected to take space).

Zeckendorf will sell his interest to Canada or the Canadian people anytime at cost, and is prepared to go along with the other backers in the original idea of offering it to the Canadian government free after his investment has been returned.



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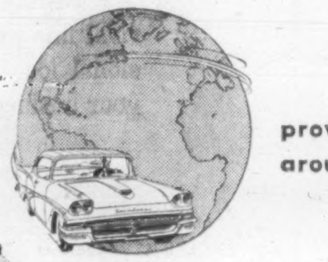

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SEE YOUR FORD EDSEL DEALER

Eisenhower Sees Upturn Soon, Says Inflation is Real Peril

By C. KNOWLTON NASH

WASHINGTON — President Eisenhower is looking at the U. S. economy for 1958 and beyond through rose-colored glasses.

He says inflation is the real peril for the U. S. economy. And he adds that the U. S. domestic market for goods and services over the next 25 years should double or better.

While noting some dark economic clouds at present, the president said in his annual economic message to Congress last week, "The decline in business activity need not be prolonged and . . . economic growth can be resumed without extended interruption. The policies of government will be directed toward helping to assure this result."

The president offered a number of reasons for his optimism. In his opinion:

- Credit will be easier to get from now on and this will help boost housing in 1958.
- **Residential construction** will increase possibly at a faster rate this year than it did last year.
- **Inventories** have been sharply cut and buying will be starting again soon.
- **National security** expenditures will increase during the year.
- **State and local governments** will be spending more for public services and particularly on highways.

In his message, the president pleaded with businessmen to hold down prices; with labor leaders to hold back on wage demands; and on government to carefully watch spending.

Demand Maintained

The demand for goods and services for final use has been well maintained, the president said. A considerable adjustment in inventories has already taken place and present holdings are generally not heavy.

Personal income has fallen very little and purchases by consumers are continuing at a high level. The confidence of business concerns in the economic future is evidenced by their long-range plans for expansion and improvement of production facilities and the high rate at which they are carrying out these plans.

The increasing amount of resources committed to research and development is further evidence of this confidence and assures the continued working of forces that make for expansion.

There are good reasons for confidence that a vigorous expansion of U. S. economy can be sustained over the years.

The domestic market for goods and services has about doubled every quarter of a century and the U. S. should do at least as well in the next twenty five years, Eisenhower said.

The president noted that during the past year 65 million Americans were employed and the U. S. output of goods and services totaled 434 billion dollars, a 5% increase over last year.

However, it was noted, four fifths of this increase was due to higher prices.

U. S. Budget

	Income	Outgo	Deficit or Surplus
	$ Billions		
1950	36.5	39.6	—$3.1
1951	47.6	44.1	+3.5
1952	61.4	65.4	—4.0
1953	64.8	74.3	—9.4
1954	64.7	67.8	—3.1
1955	60.4	64.6	—4.2
1956	68.1	66.5	+1.6
1957	71.0	69.4	+1.6
1958 (est.)	72.4	72.8	—0.4
1959 (est.)	74.4	73.9	+0.5

Spending

How Eisenhower's estimates of spending in fiscal 1959 compare with those of 1958:

	'58	'59
	— $ Billions —	
Major national security	$44.9	$45.9
International	1.5	1.3
Veterans	5.0	5.0
Labor and welfare	3.4	3.6
Agriculture	5.0	4.6
Natural resources	1.5	1.5
Commerce and housing	2.1	1.6
General government	1.4	1.4
Interest	7.9	7.9
Contingencies	.2	1.1
Totals	*$72.8	*$73.9

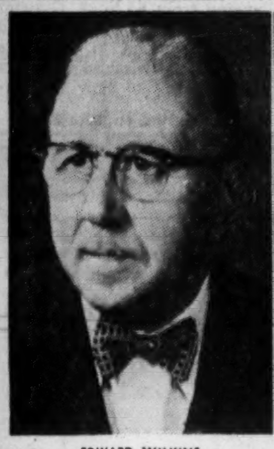
*Rounded to nearest hundred million.

Revenue

Estimates for fiscal 1959 revenue from major sources compared with 1958 (in billions):

	'58	'59
Individual income taxes	$37.2	$38.5
Corporation income taxes	20.4	20.4
Excise taxes	8.9	9.3
Other taxes	1.8	1.9
Customs	.8	.8
Miscellaneous receipts	3.3	3.5
Totals	$72.4	$74.4

ANNOUNCEMENT



EDWARD WILKINS

J. T. WOOLLEY

The retirement of Edward Wilkins as general manager of Hygrade Containers Limited has been announced, effective Feb. 15, by Vernon E. Johnson, president of Canadian International Paper Company of which Hygrade Containers Limited is a wholly-owned subsidiary. Mr. Wilkins will be succeeded by J. T. Woolley, now general sales manager of the company.

Mr. Wilkins, a native of London, England, began a distinguished business career in that country and saw service in the Royal Navy during the first World War. He came to Canada in 1921, established himself as a public accountant in London, Ontario, and in 1925 became a partner in the firm of William C. Benson and Co. In 1942, he joined the Hygrade organization in the capacity of general manager.

Mr. Woolley joined Hygrade Containers Limited in 1945 after service in the Royal Canadian Navy. He was born in London, Ontario, and is a graduate of the University of Western Ontario. Since Hygrade Containers Limited became a subsidiary of Canadian International Paper Company in 1955 he has functioned as its assistant general manager as well as general sales manager. No appointment of a new general sales manager is contemplated at this time.

Ike Asks Price Supports Cut Down to 60% of Parity

(Special Correspondence)

WASHINGTON — President Eisenhower says the U. S. price support program has not worked. He wants to reduce the level of price supports from the present 75% of parity to 60% of parity.

The President's annual farm message to Congress is of particular interest to Canada at this time in view of the discussions in Parliament of a farm program which envisages a price support set at 80% of the average price of the last 10 years on certain crops.

Here are other highlights of the President's program for farmers in the next year:

- Kill the Acreage Reserve section of the Soil Bank. This is the short-term section under which some farmers have received as much as $200,000 for not growing crops. The President wants to put all emphasis on the long-term Conservation Reserve section of the Soil Bank.
- Reduce acreage restrictions.
- Extend the U.S. surplus give-away law for another year and spend another $1.5 billion.
- Kill an escalator clause in the price support legislation which required that price supports be raised as soon as the surplus is reduced.
- Increase research.

There is no chance that Congress will approve all the President's requests. In an election year, the Congressmen will hardly want to cut price supports.

"There wouldn't be a Republican elected in the entire farm belt if we did that," said one GOP Senator.

The President and his Agricultural Secretary, Ezra Taft Benson, will fight for the reduction of the price support level but the odds are against them.

Follows Line

The President's desire to reduce the level of price supports, however, falls in line with most of the statements given to a recent Congressional study on the farm problem and is similar to recommendations made by the prominent Committee for Economic Development.

Threading through the President's farm advice to Congress is his belief (and that of Agriculture Secretary Benson) that a key problem to the farm situation is that there are too many farmers.

The President emphasized his three year old Rural Development Program which is designed to train farmers to shift out of agriculture into other jobs.

He asked Congress to provide more money for this program. At the same time, he asked more money to be spent to educate farmers in research, credit, land improvement, etc. to make them better farmers.

Mr. Eisenhower noted that less than half of the farmers in U. S. produce 90% of the farm crop.

He indicated he feels the commercial farmer is adapting his farming to changing conditions and the part-time farmer gets little benefit from price supports and therefore the value of price supports is doubted.

"There are millions of rural people who, for reasons of small farms, poor soils, limited resources, age, inadequate credit, lack of education, poor health or insufficient managerial ability, have been unable to make the adjustments called for by modern technology," the President said.

"Few of the dollars spent on agricultural programs have been of appreciable help to this group."

In his price support recommendation, the President specifically asks for authority to set the supports at levels between 60% and 90% of parity.

The current level is between 75% and 90%.

In practice the Administration has set the level at the bottom of the spread—rather than in the middle.

"This needed change in price-support policy," the President said, "would open the door to market expansion, increased acreage allotments and greater freedom to produce."

Bank Staff Changes

Commerce:

A. V. KEITH, an assistant accountant, City Hall, Toronto, to be an assistant organization officer, Methods and Organization Department, head office, Toronto.

C. W. RING to be assistant accountant, Trail, B.C.

W E TANNAHILL, accountant, Brandon, Man., to be accountant, Regina.

R D WARWICK, to be an assistant accountant, Oakville, Ont.

W. K. WINCHELL, accountant, Regina, to be manager, Radville, Sask.

F. G. R. WINTER, manager, Campbell River, B.C., to be manager, Mission City, B.C.

R R YOUNG, formerly accountant, St. Clair & O'Connor Drive, Toronto, to be an assistant accountant, Toronto.

E J BANKS, an assistant accountant, to be accountant, Sudbury, Ont

D A. BARRY, accountant, Edmonton, to be manager, Crossfield, Alta.

K. M BRODIE, accountant, Sudbury, Ont., to be an assistant organization officer, Methods and Organization Department, Head Office, Toronto.

M. J. COLWILL, to be accountant, Stony Plain, Alta

J. G COOK, assistant accountant, Mount Pleasant, Vancouver, B.C., to be accountant, Fairview, Vancouver, B.C.

R A CUNLIFFE, manager, Ponoka, Alta., to be manager, Centre Street & Eighth Avenue West, Calgary, Alta.

A N DOUGLAS, manager, Crossfield, Alta, to be manager, St. Paul, Alta.

C. R HURST, to be accountant, New Glasgow, N.S.

A. C. MARNOCH, manager, Southampton, Ont. to be manager, Hagersville, Ont.

J. E. Macartney, accountant, Stony Plain, Alta., to be accountant, First Street West, Calgary, Alta.

R. A RITTINGER, manager, St. Clements, Ont., to be manager, Milverton, Ont.

J R. SNELGROVE, an assistant accountant, Robson District, Vancouver, B.C., to be accountant, Courtenay, B.C.

J. R STEVENSON, manager, Milverton, Ont., to be manager, Southampton, Ont.

C. G SUTER, accountant, Courtenay, B.C., to be an audit officer, Regional Office, Vancouver, B.C.

J. G. WELK, to be an assistant accountant, Robson District, Vancouver, B.C.

K. J WOLSTENHOLME, manager, St. Paul, Alta., to be manager, Ponoka, Alta.

D. A. YULE, to be assistant accountant, Mount Pleasant, Vancouver, B.C.

Nova Scotia:

T. W TORRAVILLE, inspector, General Office, Toronto, to be an assistant supervisor at that office.

E. KLYMCHUK, accountant, Nanaimo, B.C., to be accountant, 49th Ave. & Fraser, Vancouver.

H W. WYLIE, to be accountant, Belleville, Ont.

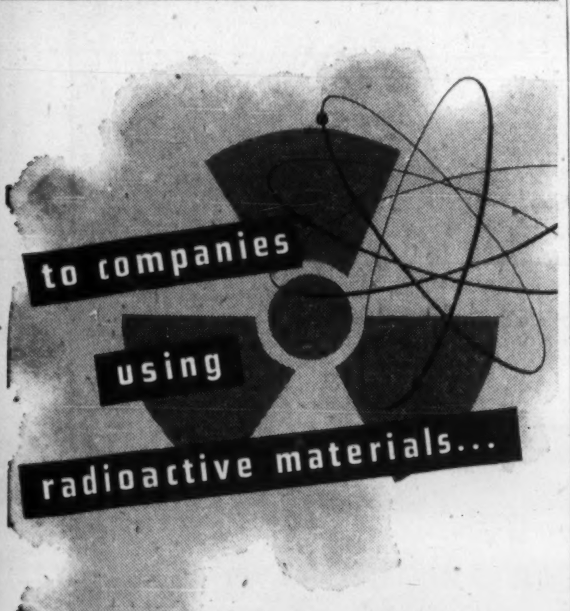
• • •

Nova Scotia:

F. J. G. KNOWLTON, accountant, Kentville, N.S., to be manager, Kennetcook, N.S.

E. MESA, inspector, Havana, Cuba, to be an assistant manager at that office.

G. J. MONTGOMERY, to be accountant, Nanaimo, B.C.



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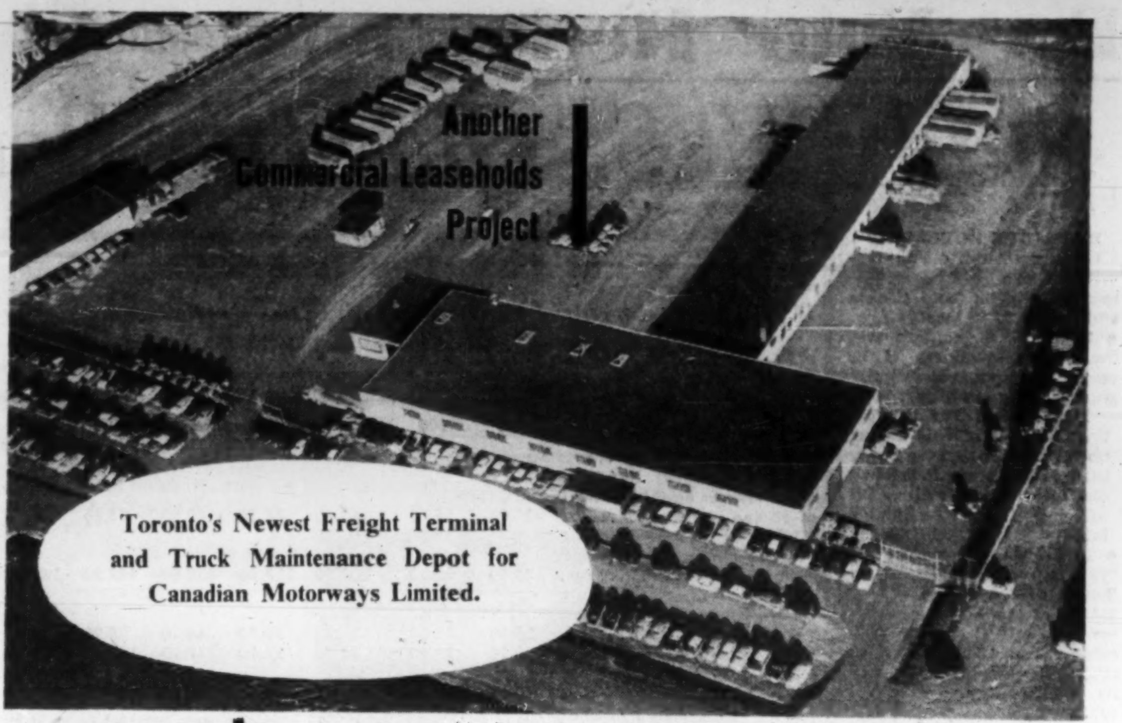

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For Your Retirement

Study U. S. Old-Age Pensions

By DALTON ROBERTSON

Government-run old age security schemes have pushed into the headlines in both Canada and the U. S.

• In the U. S., concern over the future soundness of its completely "contributory" program is being expressed.

Main reason: For the first time since the scheme was set up in 1937, outgo is bigger than income from individuals and corporations—and the $22 billion-plus reserve surplus is being whittled down.

• In Canada where there is a "pay-as-you-go" system — although pension payments have always exceeded earmarked tax revenue — the federal government has ordered a special study of the U. S. system with its benefits provided at earlier retirement ages.

Main object: To determine whether or not a similar system could be fitted or adapted to Canadian requirements.

But if some modification of the U. S. contributory plan should be deemed suitable for Canadians, it would apparently be superimposed on the existing Canadian scheme which is based entirely on tax revenues, earmarked or general.

This point was made clear when Prime Minister Diefenbaker last week appointed Gordon Huson, professor of business administration at the University of Western Ontario, to study the two systems.

The U. S. plan is designed to help workers save for retirement income. Unlike the Canadian plan, general tax revenues are not included.

What U. S. Pensioners Get

If fully insured a retired U. S. participant in the federal social security scheme* receives these payments:

	Average monthly earnings after 1950 — $ —						
	50	100	150	200	250	300	350 and over
Monthly retirement benefit at 65 or later or disability benefit at 50 (no means test)	30.00	55.00	68.50	78.50	88.50	98.50	108.50
Monthly retirement for couple both over 65	45.00	82.50	102.80	117.80	132.80	147.80	162.80
Survivors insurance payments:							
Widow	30.00	41.30	51.40	58.90	66.40	73.90	81.40
Widow and 2 children	50.20	82.60	120.00	157.10	177.20	197.10	200.00
— plus —							
Lump sum death payment	90.00	165.00	205.50	235.50	255.00	255.00	255.00

*This excludes all pension assistance on a "need" basis where benefits, although somewhat similar to the above, vary from state to state.

What We Give Canadians

By contrast: In Canada all Canadians 70 or over receive automatically and without means tests $55 each per month. Those between 65 and 69 can obtain $55 pensions with a means test.

In the U. S., social security benefits now cover about 80% of all retired persons. Remainder are "need" cases and receive retirement aid from general tax revenues.

Here are the main characteristics of the two systems together with the highlights of their spending-and-revenue experience.

In 1952 the Canadian government agreed:

—To pay $40 a month (now $55) automatically and **without means test to all Canadians 70 years of age or over.**

—To share on a 50-50 basis with the provinces payment of a similar pension **with means test to Canadians between 65 and 69 years of age.**

Other pension arrangements were also made for the blind and the disabled. **All pensions are taxable as income.** Theory is if federal pensions go to those who do not need them, a good part of the pension cheque will be taxed away.

Taxes Earmarked

To finance the scheme for general pensions, general tax revenues were earmarked. This emphasized the fact that although there are no direct contributions, the new and higher pensions were achieved at the cost of higher taxes.

Since 1952, the government has used the "2-2-2 formula" as a tax revenue-base for pension payments to those over 70. It called for: (1) 2% additional sales tax to be withdrawn from general revenues; (2) 2% additional rate of corporation income tax; (3) 2% additional rate on taxable personal income with the total not exceeding $60 a year.

This revenue goes into a special fund which, although supported by tax revenues, is not included in the annual budget.

How close have tax revenues come to meeting pension payments? So far, revenues have never managed to equal the exclusively federal responsibility of paying pensions to those 70 and over. (See accompanying table.)

The 2-2-2 tax revenues were not intended to cover the federal cost of pension assistance for those between 65 and 69 years of age. Funds for this come from general tax revenues and are matched by similar contributions from the general revenues of the provinces.

If the federal contribution to pensions for the 65-69s is included, the shortfall of revenues year-by-year is substantially greater—and the characteristics of Canada's old age pension plan stand in still sharper contrast with the U. S. security scheme.

Deficits in the old age security fund have been met, usually, by temporary loans from the Minister of Finance and later charged as budgetary expenditures.

U. S. Contributions

In the U. S., **funds for retirement pensions are built up through the contribution of employees and employers and by the contributions of self-employed individuals.** No general tax revenues are involved.

With the exception of doctors and federal civil servants who have their own retirement plan, almost all workers are covered by social security.

Employees and employers pay equal parts of a 4½% levy on the first $4,200 earned by an employee during any year. At the moment, each pays $94.50 a year if the employee's income is $4,200 or over.

Size of the retirement benefit paid to the retired employee depends upon:

(1) the amount of average monthly earnings;

(2) the number of credits built up.

Average pension is about $65 a month. Since **benefits are linked to earlier contributions, no means test is called for. Contributions are part of taxable income; benefits are tax free.**

The amount of work required to build up pension benefits is measured in "quarters of coverage" which correspond roughly to calendar quarters, although with different kinds of work, slightly different quarters of coverage are obtained.

Participants in the plan are considered fully insured when they reach retirement age (65 for men, 62 for women) and entitled to benefits if they have one quarter of coverage (earned any time after 1936) for each two full calendar quarters after 1950.

For example, if a man reaches 65 in 1959, he must have 16 quarters of coverage to claim full benefits. Or if he reaches 65 in 1963, he must have 24 quarters. Special provisions reducing the number of quarters required make exceptions for those without enough credits and now close to retirement age. In addition, if the participant does not nave enough quarters of coverage at retirement age, he may also still earn them after that time.

Under the U. S. old age insurance system, the amount of the social security benefit is calculated from average monthly earnings over a certain period of time. This calculation can start with either Jan. 1, 1937, or with Jan. 1, 1951. Most would receive higher benefits if they base the calculation on average earnings in the shorter period.

Limits are put arbitrarily on average earnings for this calculation. For example, participants cannot count more than $3,600 a year for 1951 through 1954 or more than $4,200 after 1955.

Two Examples

Here are two examples which assume the retired male employee is fully insured:

• **If average monthly** earnings after 1950 were $300, monthly retirement benefit at 65 or later would be $98.50, if the retired person were single or a widower. If he has a wife of 62, benefits for the couple would be $135.50 a month. If he left a widow, she would receive $73.90 a month plus a lump sum death benefit of $255.

• **If average monthly** earnings after 1950 were $200, the single retired man would receive benefits of $78.50 a month, the married man benefits of $108 a month. If the retired married man should die, his widow would receive monthly cheque for $58.90 and a lump sum death payment of $235.50.

Beneficiaries earning more than $1,200 a year—aside from social security payments—lose one month's benefit cheque for such $80 earned over the $1,200 limit. Income from investments, however, does not reduce social security payments.

Contributions — **taxes** — are now 4½% of annual income up to $4,200 but this percentage is on a rising scale originally designed to keep the program on a selfsustaining basis. For example, by 1960, the levy will be 5½%, still split between employer and employee. By 1975 it will be 8½%.

Concern about the U. S. scheme centres on two things:

▶ **Coverage of the scheme** has been broadened three times in the past few years offering benefits without a corresponding increase in charges to ensure that the plan stays in the black.

For example, in 1956, the retirement age for women was lowered from 65 to 62. Greater numbers than anticipated promptly retired. In the same year, totally disabled workers were allowed to draw full re-

(Continued on page 35)

ANNOUNCEMENT

W. E. ECCLESTONE

has been appointed manager of marketing, a newly-created position, at The Goodyear Tire & Rubber Company of Canada, Ltd., C. B. Cooper, general sales manager, has announced.

Mr. Ecclestone moves to his new post after six years as manager of the company's Central Ontario Sales Division with headquarters in Toronto. His duties at the Head Office in New Toronto include responsibility for progress of branch sales and distribution and for carrying out company policies in the field.

Mr. Ecclestone joined Goodyear in 1936 and served in various sales capacities in both Ontario and the Maritimes including four years as manager of the company's Maritimes Division.

ANNOUNCEMENT

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At a meeting of the Directors of Reliance Engravers Company Limited, Mr. J. E. Nunn who founded the Company in 1913 was elected Chairman of The Board. Mr. Jas. A. Leggett, President and Mr. Charles A. Burton, Vice-President and General Manager.

Other Directors elected were Messrs W. D. Fitzgerald, M. F. Feheley and M. P. Stoker.

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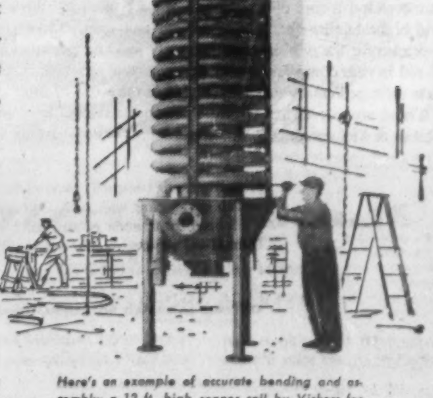


Here's an example of accurate bending and assembly: a 12 ft. high copper coil by Vickers for the combustion chamber of a sulphuric acid plant.

Our Pensions in the Red

Here's how Federal pension payments in Canada exceed the earmarked tax revenues . . .

	Federal pension payments to over-70s	Federal receipts of earmarked taxes	Deficit on payments to over-70s	Federal contributions to pensions for 65-69s	Total federal deficit
			$ million		
1952	76.1	26.4	49.7	2.3	52.0
1953	323.1	223.6	99.5	19.1	118.6
1954	338.9	294.0	44.9	20.3	65.2
1955	353.2	290.0	63.2	20.9	84.1
1956	366.2	316.0	50.2	20.9	71.1
1957 est.	379.0	373.0	6.0	20.8	26.8
1958 est.	437.5	387.5	50.0	24.1	74.1

Study U.S. Pensions For Your Retirement

(CONTINUED FROM P. 34)

tirement benefits at 50 instead of 65 years of age.

In 1954 an amendment included self-employed farmers in the scheme if they paid social security taxes for two years. Number now receiving benefits is two to three times greater than expected.

If coverages or benefits are further widened and future expenses inadequately provided for, the fund's income, just now falling behind outgo, could run even farther behind the level of benefits.

If benefits are further widened and the higher costs are provided for, the resulting tax rate may prove to be too steep for comfort.

Despite this, odds currently favor some further widening of the social security system. Benefits are regarded as comparatively low in some quarters, especially in labor unions. Also, 1958 is an election year and Congress, with an eye on the electorate, widened benefits in the four previous election years.

One bill now before the House of Representatives calls for a 10% hike in benefits plus insurance protection against hospital, medical and nursing costs. Increased expenses would be met by lifting the tax from 4½% to 5½% and the tax base from $4,200 to $6,000.

This year some 11 million retired U. S. citizens will receive social security cheques based on earlier contributions to the plan. Payments will probably top $7½ billion. Contributions, however, will only come to about $7 billion, it is estimated.

This first deficit experienced by the plan will cut into the reserve fund which at the end of 1956 totaled $22.5 billion. It also reverses the 20-year-long trend toward steadily increasing reserves.

Poser for Planners

Big question for the U. S. pension planners: If deficits become a regular occurrence, will the government have to turn to general tax revenues to keep the scheme afloat?

If this happens, the U. S. old age pension plan will lose its long standing contributory character.

Even as it is, the federal and state payments out of general tax revenues are large.

Social security covers some 11 million workers who have retired after building up benefit credits. Federal-state agreements divide the cost of providing old age assistance to estimated additional 2.6 million people without any or enough social security benefits to provide retirement income.

Average old age assistance pension for these need cases is about $55 a month and total outgo from general revenues of state governments and the federal treasury is about $1.8 billion a year.

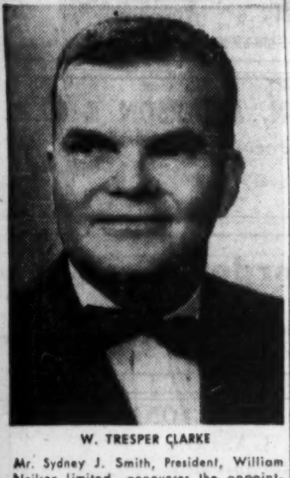
Mr. Diefenbaker, after commenting in the House of Commons on the wider benefits offered in the U. S. drew a comparison of costs to taxpayers.

Average per person contribution in the U. S. towards federally-administered social security he placed at $27.08 per annum.

This compares, he said, with an estimated annual per capita figure of Canadian tax payments towards federal old age pensions of $22.70.

ANNOUNCEMENT

WM. NEILSON LTD.
VICE-PRESIDENT



W. TRESPER CLARKE

Mr. Sydney J. Smith, President, William Neilson Limited, announces the appointment of Mr. W. Tresper Clarke as Vice-President, Manufacturing, Cocoa, Chocolate, Confectionery and Ice Cream Divisions of the Company.

Mr. Clarke joined the Company two years ago, as Chief Chemist, and has been responsible for outstanding advances in the technique of Quality Control. He has had thirty years experience in the Chocolate and Confectionery field, and is well known in Canada and the United States for his contributions to the industry. He has assisted in the establishment of standards of identity of cocoa products, under the United States Food and Drugs Act, and in the improvement of military chocolate ration products during the last war, later serving in an Industrial Survey of the Chocolate, Confectionery and Food Industry of Post-War Germany.

Would Canadians Benefit From U.S.-Type Scheme?

Should we graft a U. S.-type contributory pension plan on top of Canada's existing old-age pension scheme?

That is a question on which Mr. Diefenbaker has ordered a new study.

But W. D. Welsford of **William M. Mercer Ltd.,** pension plan consultants, recently told the Toronto Board of Trade Club:

- **Our present scheme** looks after those who cannot provide for themselves and that is the proper function of government pension plans.
- **Industry has already** taken giant strides toward providing pensions for employees.
- **A contributory plan's** greatest weakness is that it cannot help those for whom state pensions are required.

Here is a digest of his comments on the U. S. contributory plan.

All parties are currently promising a contributory scheme in addition to, not a substitution for, our present old-age pension system.

It is purported that a contributory scheme can be introduced which will substantially increase old-age pensions and which will be created to act with greater stability and which will not require a state subsidy. And what is our model? The U. S. social security system.

Even the most superficial examination of the U. S. social security systems shows very clearly that a contributory plan, in addition to our present non-contributory plan, will not substantially increase our old-age pension payments immediately.

At present, the average new U. S. social security payment is about $65 a month compared with our own $55. If a contributory old-age pension plan were adopted today without a state subsidy, it would be a number of years before the pensions being paid from it would be other than insignificant, unless the contribution rate from both employees and employers was fixed at an exceptionally high level from the outset.

Advocates of a contributory plan state that such a plan will operate with greater stability and with less political pressures. Experience has shown that such is simply not the case.

Pension payments under the U. S. social security system are now running at a rate of about $8 billion a year and are on a strongly rising trend. Income to the social security fund for the first time is running at a rate less than the outgo—a rate of $7.3 billion and is not rising much.

The result of this is that reserves are being drawn down to pay pensions far in advance of expectations. And, furthermore, current political demands of the strongest kind are pressing for bigger pensions.

All of this points to the fact that a contributory social security plan is subject to the same political pressures as is a non-contributory plan.

Administration Cost

The U. S. social security system cost of administration is running around 2% of income. And this is only part of the cost—not the full cost. For example, it does not include the tremendous cost to corporations of making the payroll deductions and the handling and processing of all the government forms necessary to keep the system running. The real cost would, in all likelihood, be closer to 4% of income.

The administration costs of Canada's old age security system is currently running something under ½ of 1% of outgo—less than ¼ of the cost of the U. S. Social Security System and with no additional administration expenses to either corporations or citizens.

Industry has done and is doing a magnificent job in providing adequate pensions for its employees. We can look forward to continuing improvement.

That we must have state pensions no one will deny. But we should not lose sight of the basic objectives of any state old-age pension plan which is to provide pensions to those who cannot provide for themselves or those who by the force of circumstances have not been provided for.

To my mind, the greatest defect of a contributory scheme is that it cannot, by nature, in any way help those people for whom state pensions are required. This is a contributory plan's major weakness.

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Alta. Wheat Hard Hit By Winds

From Our Own Correspondent

LETHBRIDGE — Extensive and severe damage has been caused to winter wheat and fall rye crops across southern Alberta by serious soil drifting.

Dr. J. E. Andrews, cerealist for the Canada Experimental Farm east of Lethbridge, says the extent of the damage is not yet known.

Spot checks indicate a large percentage of the winter wheat and fall rye crops seeded late September "are completely lost."

The southern half of agricultural Alberta has experienced the worst soil drifting suffered by Western Canada since the "black blizzards" of the "dirty thirties."

Gusty west winds attaining a velocity as high as 100 mph have blasted away up to three inches of valuable top soil from some fields.

Farmers in southwestern Alberta told **FP** they have written off their fields of winter wheat and fall rye.

Dr. Andrews says: "Most of the damage is in districts where farmers have gone away from the strip-crop practice of farming.

"In several instances we have noted that fields sown to winter wheat and fall rye on large tracts of land have drifted very badly and there isn't any crop left, but nearby fields that were sown into narrow strips are coming along all right."

Air Bubble Line Keeps N.B. River Ice-Free for Ferries

From Our Own Correspondent

FREDERICTON — New Brunswick is using air bubbles to free ice on one of its 28 public river ferry runs.

Public Works Department crews have laid a two-inch plastic pipe across the Kennebecasis River between Reeds Point and Gondola Point.

It is connected to an air compressor housed on the Reeds Point side with its sealed end stopping short of landing stage on the opposite bank, and not showing above the surface.

Tiny holes drilled in the pipe at intervals of 40-60 ft. allow continuous streams of air bubbles to rise to the surface.

The air holes are 1/32 of an in. diameter, and are spaced 40 ft. apart where the pipe enters the water.

This interval is increased to 50 ft. farther out in the stream and to 60 ft. in the deepest water in the middle of the river.

Departmental officials explain, the bubbles cause the warmer deep water to rise with them to mingle with the colder surface water and hinder the formation of ice.

So far, the experiment is successful, although the recent mild weather hadn't provided a really stiff test.

The river completely froze for several days, but the pipeline opened it up.

Cost of the installation was comparatively small, and it has not been necessary to run the compressor continuously.

Gordon S. Garvie, department mechanical superintendent, says lumbermen have been using the device for many years to keep waterways free from ice.

PAINT SALES UP

MONTREAL (Staff) — Paint and varnish sales of $120.4 million for the first 11 months of 1957 suggest a probable year-end total of around $128 million. This would be a record, around 6% higher than 1956. Eleven-month total in 1956 was $114.6 million. November sales last year of $8.5 million compare with $9.1 million in same month '56.

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FP-17

ANNOUNCEMENT

Canada Permanent Trust Appointments

JOHN W. MILLAR — JAMES D. HEPBURN — BERKELEY HYNES

W. Leo Knowlton, Q.C., General Manager of The Canada Permanent Trust Company announces the appointment of John W. Millar as Manager and James D. Hepburn and Berkeley Hynes as Assistant Managers of Toronto Office. Mr. Hepburn will be in charge of Office Management and Personnel and Mr. Hynes will be in charge of the Trust and Estates Department.

Mr. Millar, a graduate of the University of Toronto and Osgoode Hall, joined the Canada Permanent as a Trust Officer in 1933 and was appointed Assistant Manager in February, 1957. Mr. Hepburn joined the Canada Permanent in 1928 and was appointed a Trust Officer in 1948. Mr. Hynes joined the Canada Permanent in 1934 and was appointed a Trust Officer in 1946.

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You'll find other Dodge cold-weather bonuses, too—horizon-wide windshield and dual headlights for safer visibility, fast-defrost ventilation, an efficient warm-up-quick heater—and more!

So come in *now!* Get a real winter buy on a beautifully-built new '58 Dodge, and you'll be way ahead *all year long!*

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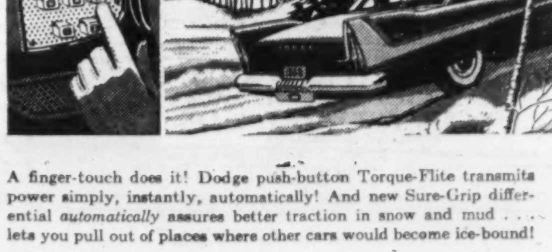

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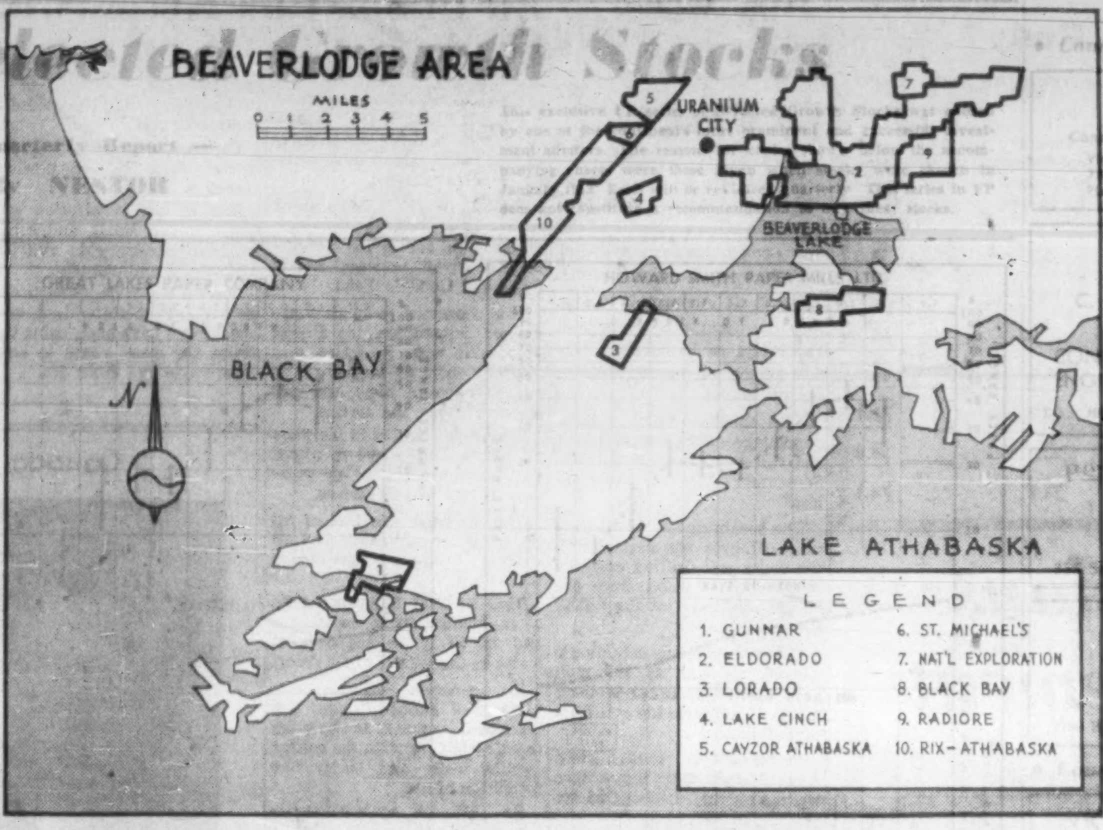

New Town in North

Pins Future on Atoms

By RAY MAGLADRY

URANIUM CITY (Staff) — New houses are pushing farther into the wooded outskirts of Uranium City, centre of the Beaverlodge Lake uranium mining camp.

It's one sign of the heady confidence in uranium found in this isolated northwest corner of Saskatchewan.

Add a program of major municipal works, booming school construction — long-term financing to pay for it — and this confidence of the 4,500 citizens looks anything but superficial.

Behind it:

- **Three ore treatment** mills.
- **Seven producing** mines.
- **Other stand-by** properties that could become producers.

Clouds on the uranium mine horizon "just aren't visible from here," one Uranium City businessman says. "We feel we take only the risks that are normal to any mining town in the north."

This is the future that mine interests, town officials and leading citizens look for:

- **Sufficient ore** in Beaverlodge to keep the mills humming on their premium price contracts with the government.
- **Advantage of** relatively high-grade ore for the lower-price, more competitive markets that may follow the present contract period ending in 1963.
- **Possibility of other mineral** discoveries in the area, scene of a gold rush before the last war.

Tempo and direction of life at Beaverlodge have changed sharply since the big burst of speculative uranium interest in 1952-54.

Now, promotional enthusiasm is an oddity, there's only mild stock market interest and claim-staking has dwindled to a fraction of former volume.

Opportunity Ahead

When uranium's speculative appeal all but disappeared over two years ago, it spelled an end to opportunity at Beaverlodge for many prospectors and financing interests.

But for others, still bigger opportunity was just ahead.

Mines were forging toward production, the population was sky-rocketing, a community of high wage earners was shaping up.

In Uranium City's downtown commercial section, a wide variety of businesses boomed ahead — riding the high wave of growth. And even today, the imaginative and aggressive still find the town an attractive area for new enterprise. For the outsider, looking north for opportunity, Uranium City has many of the advantages usually associated with a new Canadian mining town.

Among them:

- **Several** business and small industrial fields not yet tapped.
- **High** wage rates.
- **Soaring** birth rate.
- **Big buying** power of the mines.

Add to these, the assured market at fixed prices for uranium output from Beaverlodge totaling $309,900,000 under contract to 1962-63.

As in any new growth area, the first in are off to a cozy start. Cases are numerous of early shoe-string businesses skimming the cream to make small fortunes for their owners.

In Uranium City, Paul Vincent moved in to establish a small oil agency business in 1952, had to scratch to keep it on its feet.

The subsequent staking rush and follow-through to production by several mines have made him comfortably well-off. He's mayor of the town now.

But just when everyone thinks the town is over-supplied with goods and services, someone proves otherwise.

John and Lida LaFrance operate the town's new, second hotel. Veterans of mining town enterprise, lately out of Yellowknife, they opened **The Cove** a little over a year ago.

Sceptics who thought it "too refined" for the north are taking their words back. The LaFrance hostelry — built on the theory that cleanliness of accommodation and excellent food are in demand anywhere — has been doing a seams-bursting trade all seasons of the year.

Only recent credit restrictions have kept them from expanding. One reason for their success: They aimed for the substantial traveller business, the salesmen and others who stream into the area year-around.

Business Directory

Business directory of the town lists some 60 different types of commercial enterprise and professional service.

There's a "dairy" which brings in powdered milk, prepares and bottles it in liquid form and delivers it around town.

Lumber, building contracting, woodworking are thriving lines as residential construction pushes ahead.

But residents can name a number of services that are lacking.

Norm. Jeppeson, manager of the **Uranium City Hotel**, mentions commercial photography as an untapped field. Others wonder why professional people are so relatively scarce in a high wage community. For a time this year, the town was without a dentist. There is only one lawyer.

Transportation costs are high — all incoming freight comes either by air or by barge along the water route from Waterways, Alta.

This factor has been directly responsible for the success of a handful of home-grown small industries. A bottling works uses surplus empties for locally-made pop which undersells the high cost imported product.

In a few cases, there are some signs of crowding. Transportation, in limitless demand a few years ago, is now feeling a slight squeeze.

Taxi operators are becoming concerned over the swelling fleet of cabs — there were 16 last year with two more on order. At the same time, private car ownership soars, cutting into taxi demand.

Air service is also going through a period of readjustment from the recent past when exploration crews and individual prospectors clamored for plane charter service.

How has Uranium City survived the hectic initial growth that featured the days of claim-staking and deal-making?

Like similar frontier developments, it is emerging with a solid core of citizenry who are building homes, raising families, putting money in the bank and worrying about taxes.

Also typical are the inevitable drifters attracted by high pay, whose stay is often numbered in months, even weeks.

Not a Model Town

As a visitor quickly notes, it is not a model town like Manitouwadge or Elliot Lake or the planned scenic development at **Inco's** Thompson Lake in Manitoba.

A scattering of shack-tents are reminders of the town's recent history. Several reconditioned, unmistakeably old business buildings give a jaded appearance to the downtown area. They were hauled across the ice from the ghost town of Goldfields in the rush of 1952-54.

Offsetting these left-overs from the boom phase are pleasant new schools, neat housing districts, an excellent hospital, such urban amenities as water and sewer systems and street lighting.

Although regulations of the Saskatchewan government's town planning branch were followed, shacks went up before better housing was possible.

The rocketing development, coupled with the isolation and high transportation costs for imported materials, left town planners struggling to keep pace.

But there's no doubt now about the road Uranium City is taking. Affairs are firmly in the control of a strong, town manager-type of municipal government.

Manager G. J. Darychuk takes quiet pride in the town's accomplishments so far, talks confidently of meeting demands for services which are insistent in a mining town as elsewhere.

A $1 million hospital — one of Saskatchewan's best for its size — has been completed. A waterworks and sewerage system are going in, at a cost of around $2.2 million. A second public school has just been opened, a five-room high school is planned to start this year.

The municipal financing problem was solved a year ago, after normal financing channels were closed because of the town's dependence on uranium. Under the scheme, the provincial government takes down 50% of municipal debentures, **Eldorado Mining & Refining** agrees to buy 37½%, conditional on other mines and citizens taking the remaining 12½%.

By the end of this year, Uranium City will have issued $3 million of 5% 20-year debentures.

Tax requirements in 1957 were $400,000. Mill rate varies from a high of 69 in town, through 44 mills for everyone within a seven-mile radius to a low of 30 mills for all others.

The mines bear the major tax load, about 87%. They have also given housing a shot-in-the-arm.

Eldorado has a policy of providing loans to employees for home-building in Uranium City and other mines are doing the same.

Uranium City's Mills

	Rated Mill Capacity (tons)	Approx. Grade (%)	Approx. Contract ($ millions)
Eldorado*	2,000	.2	168.5
Gunnar	1,650	.2	76.9†
Lorado‡	750	.27	64.4

†Increased contract expected.

*Treats are on custom basis from Rix-Athabasca Uranium Mines, mines are from adjoining property, Radiore Uranium Mines.

‡Custom treats are from Lake Cinch Mines, Cayzor Athabaska Mines and National Explorations.

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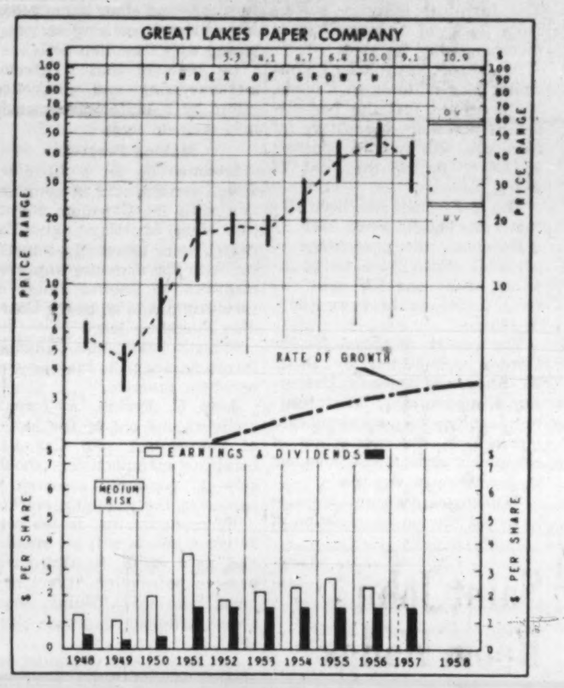
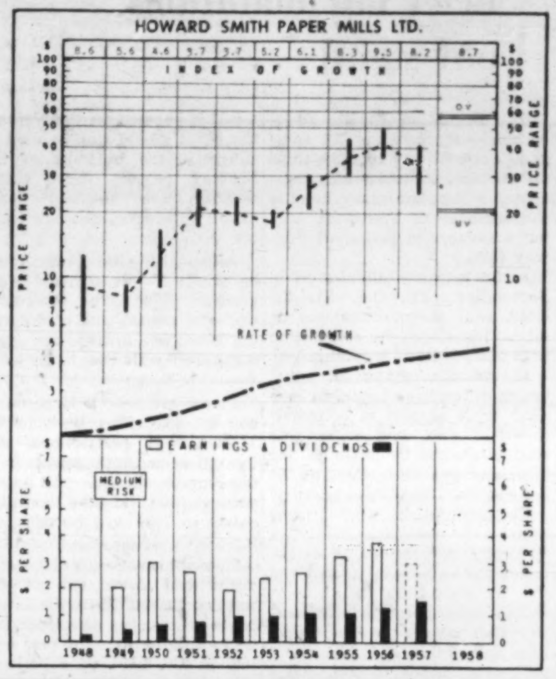
Selected Growth Stocks

— Quarterly Report —

By NESTOR

This exclusive FP series of Selected Growth Stocks was chosen by one of the continent's most prominent and successful investment advisers. The reasons for choice shown below the accompanying charts were those given when stocks were chosen in January 1953. Each will be reviewed quarterly. This series in FP does not constitute a recommendation to buy these stocks.





Great Lakes Paper

Great Lakes Paper Co., trading at recent market price of \$27⅞, is 16% above UV level (\$24), could rise another 101% before reaching OV level (\$56). Price is 11.6 times 1956 earnings of \$2.39 a share. Yield is 5.76% at annual dividend rate of \$1.60 per share. Price in 1957 has ranged between a high of \$47½ and a low of \$26½.

Independent estimates put 1957 earnings per share at \$1.75, some 26% below the \$2.39 earned in 1956.

Consolidated net profit for the nine months ended Sept. 30, 1957 totaled \$1.6 million, equivalent to \$1.30 per share. This was 32.5% lower than the \$1.97 per share earned in the same period a year earlier.

Working capital at Sept. 30 declined to \$11.3 million from \$22.8 million. Value of fixed assets increased to \$49.1 million from \$30.1 million.

Shipments of newsprint totaled 127,506 tons, compared with 118,144 in the comparable 1956 period. Pulp shipments were 31,071 tons compared with 35,590.

Lower earnings were caused chiefly by the sharply increased discount on the U. S. dollar (up \$456,000, equivalent to a rise of 182%), and by higher interest and depreciation charges, stated C. J. W. Fox, president.

He predicted that new earnings from expanded operations would gradually offset these charges. It is expected that the company's new No. 3 paper machine will be reaching maximum annual capacity of 90,000 tons early this year. It began commercial production last July.

Operations with the new No. 4 paper machine are due to start in the second quarter of 1958. Work has been running ahead of schedule.

GREAT LAKES PAPER, a newsprint and pulp manufacturer, over the past two years has been engaged in an extensive expansion program. By 1958, when program is scheduled for completion, capacity for making newsprint—company's major activity—will be 130% higher than in 1956. Company plans to build an entirely new mill for wood cellulose products other than newsprint.

Howard Smith Paper

Howard Smith Paper Mills Ltd., at recent price of \$26¼, is 25% above UV level (\$21), has room to rise 113% before reaching OV level (\$56). Price is 6.7 times 1956 earnings of \$3.88. Yield, based on indicated annual dividend rate of \$1.50 per share, is 5.71%. Price in 1957-58 has ranged between a high of \$41 and a low of \$24.

Company's results in 1957 are believed likely to show consolidated net profit about 15%-20% lower than the \$7.1 million of 1956. Earnings per share are thus likely to be about \$3.25 compared with 1956's \$3.88.

It is understood that sales will be in roughly the same range as the \$104.4 million shown for all Howard Smith companies in 1956.

In common with other firms in the fine paper business and the pulp and paper industry generally, Howard Smith has experienced an interruption in the growth of demand. But costs have continued to rise, thus paring profit.

Any drop in sales volume might seriously hit profits in the industry, since costs may continue to edge upward in 1958. However, there's hope that, though no great buoyancy is likely, demand will remain steady.

There are no very large capital projects under way. At last report the current modernization program included new recovery furnace and finishing equipment at Cornwall; extension to Canada Paper bag factory; new steam boiler for Donnacona; extension to the finishing room and new cylinder for Alliance.

The general economy is a guide to the future. As long as business conditions remain rather soft, no major uptrend for the industry seems possible.

HOWARD SMITH PAPER MILLS is Canada's largest producer of fine papers. Pulp products and by-products also are manufactured for domestic and world consumption. The company is also engaged in the manufacture of laminated plastics. A program of expansion, which is still under way, has lifted sales and earnings, with further progress believed ahead.

How to Read Nestor's Special Stock Charts

INDEX OF GROWTH: The rate at which the value of the equity behind the stock is doubling as determined by the growth rate at which it entered the year. A figure of 5.6 for the present year would indicate that at its current growth rate the equity value is doubling every 5.6 years.

PRICE RANGE: The annual high, low and mean price. Monthly ranges for the current year.

UNDERVALUATION AND OVERVALUATION PRICE LEVELS: Shown by the narrow horizontal lines above and below the stock's price range indicating price at which the particular stock is adjusted as underestimating or overestimating its future rate of growth. A stock showing a fast-growth rate will sometimes anticipate growth by two or three years. In this case it may not be so attractive a purchase relatively as some other fast-growing stock that is not anticipating its growth beyond the immediate present. Other factors such as rate of growth and investment quality will also enter into the comparison an investor will want to make.

Without these UV and OV levels a current quotation of, say, 55 or 75 would carry no significance regarding long-range value. The UV/OV levels also permit judgment as between one stock and another. They are not designated points of purchase or sale nor do they attempt to show what will be a stock's bottom or top figures in any given year.

RATE OF GROWTH: The rate as based on Nestor's tests at which the company is showing underlying or long-term growth. This will determine the price trend of the company's common stock over a period of years and in most instances the trend of dividend payments.

**Background and principles behind the selection by Nestor were discussed in a special article in FP, Jan. 10, 1953. A limited number of reprints are available on request.*

U.S. Tolls on Inland Channels Could Hit Canadian Shipping

WASHINGTON, D.C.—Washington has quietly launched a study which could turn out to be an economic thunderbolt for some of Canada's Great Lakes shipping.

It also could throw a monkey wrench into the St. Lawrence Seaway toll picture.

The Commerce Department has begun a study of whether or not the government should impose charges for the use of federally-provided navigation facilities on inland waterways.

The department says:

"The study is set in a background of growing public sentiment that the general taxpayer should not be continuously called on to carry all the cost of special services rendered by government to individual segments of the economy."

The Commerce Department told **FP** that the study will take "some time" to complete and it is not expected to be done until well into 1958.

Of particular concern to Canada is the Great Lakes area where the U. S. has spent many millions of dollars on improvements in channels, ports, etc.

In fact, Washington now is in the process of spending \$136 million to improve the Great Lakes connecting channels.

The terms of reference for the study would cover the Great Lakes area as well as the other inland waterways of continental U. S.

What this all adds up to is that Washington is considering slapping on tolls on these water routes to get back government investment in improvements.

Tolls on the connecting channels, the Sault locks, etc. would not be happily received by Canadian shipping interests who already are unhappy with any proposal for tolls on the St. Lawrence Seaway or the Welland Canal.

Plans to toll inland waterways to recoup federal improvements, however, will run into heavy political opposition.

Any Congressman with a river, port or creek running through his district which has been federally - improved through "pork barrel" legislation, would undoubtedly raise considerable alarm at the possibility of tolls.

"They'd have an awful bunch of people against them," N. R. Danielian, president of the Great Lakes - St. Lawrence Association told **FP**.

Under Article 1 of the 1909 Boundary Waters Treaty, however, either the U. S. or Canada has the right to charge tolls on the connecting channels or other parts of the Great Lakes system.

The only proviso is that equal treatment be applied to all ships using the waterway.

Before any such tolls could be put into force, however, a law would have to be passed by Congress.

Despite the big knives of the congressional budget cutters, it seems doubtful that there would be many ardent supporters of tolls for inland waterways.

It seems clear, however, that the administration likes the idea.

In addition, the argument the administration is thinking of using if it makes an effort to sell the toll plan to Congress, is that money for the U. S. missile and defense program must come from somewhere.

Either taxes will have to be raised or expenses cut.

Here then, reasons the administration, is an ideal way to pick up a few extra hundreds of millions of dollars by charging tolls to recoup federally-provided navigation facilities on inland waterways.

Faced with a choice of either this or higher taxes, some Congressmen may lean to the toll idea.

The plan to study the possibility of tolls on inland waterways was given to the Commerce Department by the Budget Bureau.

The bureau, in turn, picked up the idea from the Hoover Commission Report on Water Resources and Power made two and a half years ago.

Recommendation No. 8 in this Report said:

"That Congress authorize a user charge on inland waterways except for smaller pleasure craft, sufficient to cover maintenance and operation, and authorize the Interstate Commerce Commission to fix such charges."

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S. B. HUGHES, Calgary, to be acting manager, Frobisher Bay, N.W.T.

E. O. PATTERSON, accountant, Decarie & Church, St. Laurent, Que., to be accountant, Ottawa.

G. A. BURNETT, accountant, Parkdale & Barton, Hamilton, to be accountant, Lakefield, Ont.

C. R. S. HENDERSON, accountant, Prescott, Ont., to be accountant, Sherbrooke & Victoria, Westmount, Que.

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G. A. C. VAILLANCOURT, Val d'Or, Que., to be accountant, Rouyn, Que.

A. H. MICHELL, head office, to be accountant, Montreal.

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Separate Tolls For Welland?

Marine group submits new brief but maintains old stand . . .

The Dominion Marine Association — representing 22 companies operating Canadian ships on the Great Lakes—has submitted a supplementary brief to the Minister of Transport urging a suspended period of Seaway tolls.

In its primary submission in September (**FP**, Oct. 5), the DMA said there should be no tolls. This stand, the association says now, is in no way changed.

It admits, however, that "some difference of opinion may exist with respect to economic theories" and now urges that studies should be made of the "full and practical effect of the Seaway on Canada's economy."

To accomplish this, it suggests:

- That separate tolls be established on the Seaway proper and the Welland Ship Canal.
- That a temporary administrative staff be set up to compute tolls collectable and that for a period of three to five years complete records be kept on traffic, cargoes and tolls—but that no actual collection of tolls be made.

The DMA points to three specific advantages of such a procedure:

1. **Evidence collected would enable the** government to determine the theoretical benefit or harm of a toll system.

2. **Shippers and vessel owners would obtain a practical view of** conditions which would exist if a toll should be collected after the test period.

3. **The Seaway Authority could experiment with various toll charges,** providing invaluable background if a toll actually were collected after the test period.

Canadian producers could be assured that under a toll policy they would suffer a minimum of damage when tolls are in fact collected.

Want Benefits

The brief further recommends that no tolls should be charged unless there is a compensating benefit from the Seaway.

Shippers now using the 14-ft. system or the Welland Canal will gain nothing from the Seaway except on shipments where the draft exceeds the present restrictions.

Allowing this primary exemption would mean that producers would not have to pay for a benefit which existed before imposition of tolls. The argument is that since many built industries on the basis of a toll-free system, they should now only have to pay for any additional benefits where they are granted and used.

The DMA also submits that if a toll is imposed on the Welland Canal, it should not be used to subsidize the building of the Seaway proper; much traffic through the Welland Canal never approaches the new project.

Although Welland tolls would be small if this demand were granted, it must be recognized that the capital cost of deepening it to 27-ft. draft is also small compared with the larger construction outlay.

There are now a large number of lake ships built to the 14-ft. draft restrictions. Although some replacements have been made, there is still no assurance that the lake fleet as it exists in 1959 will be adequate for all Canadian requirements.

The shipowner should not be prejudiced from use of the smaller essels until the future trade pattern has developed and he is able to plan for new vessels in the light of experience gained, rather than on the basis of theory.

Public Hearings

At the termination of the test period, DMA recommends public hearings. It holds that the early trade would not necessarily be an exact indication of potential traffic, nor would it correspond exactly with the volume which would have passed through if tolls were actually imposed.

But following such evidence, in conjunction with the experience of the administrative staff, it should be possible to arrive at more realistic conclusions with regard to tolls.

Another point which the DMA holds is of vital importance is this:

Facilities built on Canadian territory should remain under Canadian jurisdiction, whatever may be the policies of the U. S. government.

A joint toll agreement such as appears possible in the provisions of the Seaway Authority Act is viewed with great alarm.

The Crown corporation could seemingly enter into an agreement with the U. S. Authorities which would have the same effect as a treaty committing Canadian territory to control by a foreign body, without that agreement being subjected to parliamentary scrutiny.

The association therefore urges the Canadian government to avoid—whatever the decision may be on tolls on the Canadian facilities — the imposition of a single tolls system controlled by an agency over which the government cannot exercize complete sovereignty.

Axe-Templeton Assets Drop In Market Slide

AXE-TEMPLETON GROWTH FUND OF CANADA LTD., a U. S.-owned Canadian investment company, net asset value per share dropped 18% to $18.75 (Canadian) per share at Oct. 31, 1957, from $22.90 at April 30, 1957.

Total assets dropped 36% to $3,028,606 at Oct. 31, 1957, from $4,710,104 at April 30.

On Aug. 30, 1957, by supplementary letters patent the name of the fund was changed from Templeton Growth Fund of Canada Ltd. to Axe - Templeton Growth Fund of Canada Ltd.

Authorized capital was increased by one million common shares to 1.5 million. The company since August has begun to offer shares continuously. There were 161,548 shares outstanding at Oct. 31 (205,717 at April 30).

Changes during the six months ended Oct. 31, 1957, included:

—Elimination of two preferred stocks and three common stocks.

—Increase in two common stocks.

—Reduction in one preferred and six common stocks.

Here are the portfolio changes in detail:

	Shares held at Oct. 31 1957	Change since Apr. 30 1957
Preferred Stocks:		
Massey-Harris-Ferguson 4½%	1,000	—875
British Columbia Elect. 4¼%	...	—2,200
Shaw. Water & Power A 4%	...	—1,975
Common Stocks:		
Ford Motor of Can. A	1,500	—500
Cdn. Chemical & Cellulose	3,800	—1,200
Cdn. Industries	...	—1,500
La Farge Cement of N.A. A	...	—5,000
Abitibi Power & Paper	4,800	—1,200
MacMillan & Blo. B	...	—2,000
Loblaw Co. Ltd. B	15,300	—2,700
Aluminium Ltd.	4,000	+1,000
Asbestos Corp.	2,000	—500
Consol. Denison	1,500	—8,500
Shaw. Water & Power	3,000	+1,500

B. C. Festival Will Include Movie Showings

Included in Vancouver's first annual International Festival (**FP**, Jan. 11), will be a film festival of major importance and scope.

Objective of the festival is to bring together the best artistic achievements and the finest performers of several nations. The program of opera, theatre, music and art will draw on the resources of seven countries; while the film festival will include work from at least 20.

Film categories include: Documentaries, experimental and children's films, TV and feature-length productions. Some 2,000 invitations have gone out to film studios throughout the world.

To date 106 films have been submitted by 19 countries.

Will Convert BA Peerless

The BA Peerless, largest Canadian oil tanker in domestic service, will be converted during the 1958-59 layup for unrestricted ocean-going service.

The ship is scheduled to have 80 ft. removed from her midsection at the Port Arthur shipyards of **Canadian Shipbuilding & Engineering Ltd.,** the firm which built the ship at Collingwood, Ont.

Converted to be ready for the opening of the St. Lawrence Seaway in early 1959, the Peerless will be used initially in Canadian coastal service.

Ocean service will follow, depending upon requirements and prevailing rates.

'Furniture Industry Needs Merchandising Imagination'

Do Canadian furniture designers lack imagination?

Yes — says the Gordon commission.

Not necessarily, says Norman M. Hay, secretary of the National Industrial Design Council. The furniture industry suffers from lack of imagination in merchandising, he says.

In a report just released, Consumer Expenditures In Canada, it's predicted that the percentage of personal expenditure for furniture will remain constant at 1.65% during the next 25 years.

This percentage has been virtually unchanged since 1926.

However, the percentage of personal expenditure on appliances, radio and TV will rise from 2.98% in 1955 to 3.80% in 1980.

The report, prepared for the Gordon commission by David W. Slater, of Queen's University, Kingston, says: "Historically, there has been no significant increase in the proportion of consumer expenditure devoted to furniture in Canada.

"Furniture does not seem to have caught the imagination of Canadians to the same extent as durable appliances.

"This may be partly because of the unimaginative design of most Canadian furniture."

Mr. Hay, whose NIDC runs an annual design contest for furniture and other home goods, feels there is nothing seriously wrong with Canadian design.

He believes that a greater merchandising and promotion effort by manufacturers would help step up sales.

Making Progress

Commenting on a furniture design contest held in conjunction with the Canadian Furniture Mart, Mr. Hay said: "The judges were extremely impressed with the immense improvement in the general design of furniture exhibited at the Canadian Furniture Mart.

"This indicates that Canadian furniture design is making tremendous progress."

John C. Parkin, a Toronto architect and one of the judges of the contest, said Canadian furniture manufacturers should step up consumer research to recognize the changing market.

He predicted that in the next 10 years houses will get smaller and, as a result, furniture will have to be smaller. "It's a new trend," he said. "Bulky, massively upholstered pieces won't sell."

Mr. Parkin said Canadian designers should "stop worrying about the cylical whims of the boys in New York."

New York "taste makers" are treating furniture like women's apparel and trying to change styles too often. The result has been "too much originality" in design.

Mr. Parkin said: "Everything there was to say in furniture design was said between 1900 and 1930. Now, there should be a refinement of these ideas. Create thinner, more elegant proportions," he suggested.

"Use better techniques. Make your products better."

He said consumers are more discriminating these days. To win sales there must be "intelligent market research."

Saint John Boom Hangs On Power Unit

From Our Own Correspondent

SAINT JOHN — Businessmen here are anxiously awaiting the start of construction of a 50,000 watt thermal power plant at suburban East Saint John.

A second thermal power unit is also planned.

Construction of the first plant is scheduled to start soon.

A boost will given immediately to activity on rail lines and in the harbor because of the volume of coal to be burned — about 150,000 tons per year.

Completion of the thermal plant is expected to usher in a new era of economic prosperity in the district.

It is seen as the partner event in other developments now in process:

- Expansion of fresh water service.
- Building of more heavy industrial plants — notably a big kraft paper mill.

There are persistent reports that an oil refinery will shortly be erected at East Saint John.

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By a Subscriber

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Articles on food and clothing point out the things to stock up on in order to save money. Articles on taxes guide me on what to do to keep my taxes down.

The Journal also gives me a better understanding of what is going on in the world. In conversation with other men I find that I know how to interpret business and government trends a little better than they do. They wonder where I get my "inside dope."

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ANNOUNCEMENT

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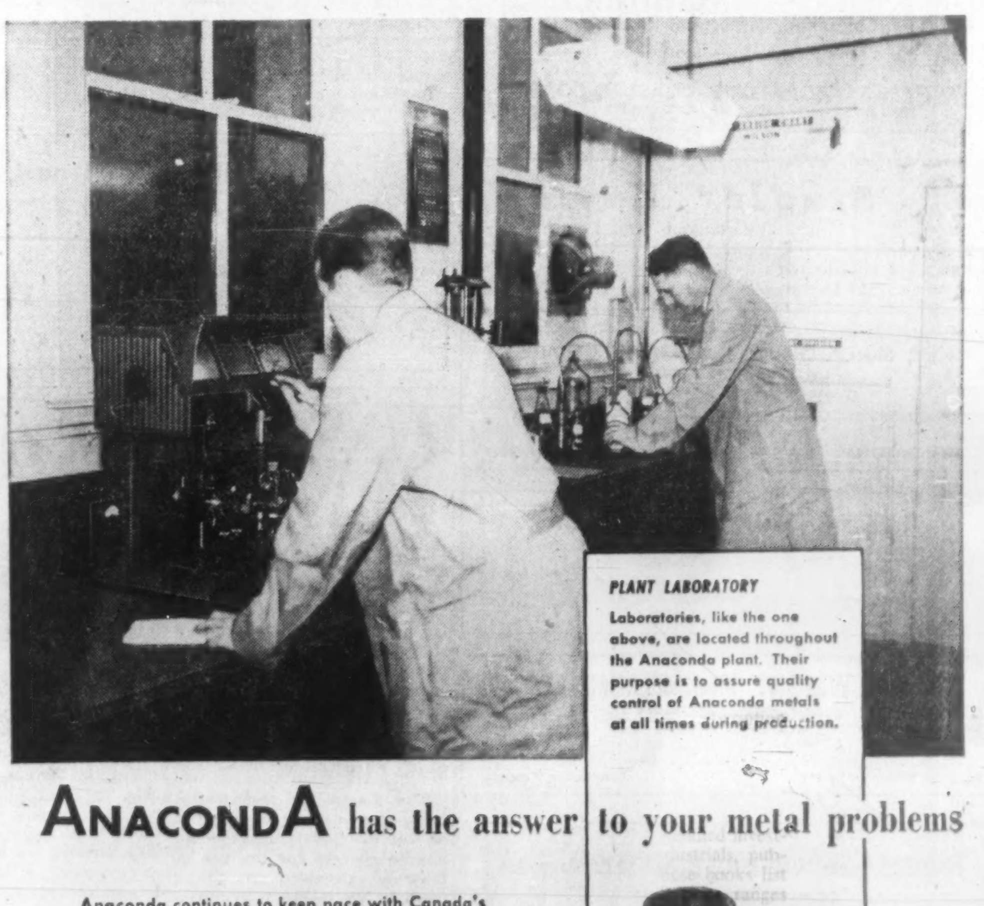
E. R. EDWARDS

FRANK HARROLD

M. R. Bissell III, president Bissell Carpet Sweeper Company of Grand Rapids, Mich., announces formation of the company's first Canadian management team headed by O. E. Loberg, as vice-president and general manager. Mr. Loberg is a former president of the Canadian Institute of Stove and Furnace Manufacturers. Appointed as sales manager is E. R. Edwards who has been associated with the company since 1952. Frank Harrold, who has been in charge of manufacturing operations at the Niagara Falls, Ont., plant has been promoted to manufacturing manager. The company is planning to expand its activities in Canada.



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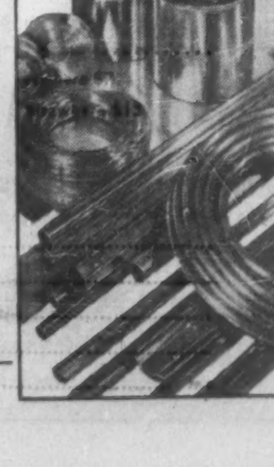

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Unemployment Figures Get Twisted to Suit

OTTAWA (Staff) — At mid-December Canada still had 25,000 more people at work than a year earlier; but it was clear that through the first three months of this year total employment was liable to be below the 1957 level.

The Canadian labor force in December was nearly 4% larger than December, 1956, which is more than twice the rate of increase of the previous five years.

Immigration must have accounted for about 160,000 out of the total of 225,000 extra workers; but economists and experts here do not regard this as a bad thing.

It is all too easy, some of them say, to assume that the immigrant workers have swollen the ranks of the jobless.

Proof is difficult to produce on the other side. But the total immigration is getting on for twice the number of immigrant workers.

And this is an addition to total Canadian demand which may well mean that the immigrants create more jobs than they take.

The continuing high demand for housing is regarded as one clear sign of this.

Without the rapid population increase produced by immigration, it is considered very unlikely that housing needs would be as high as they are.

Along with that of course goes the immigrants' demand for a complete range of household equipment, as well as day-to-day consumption goods.

And this is a demand which is likely to be satisfied just as quickly as the immigrants' earnings and availability of credit permit.

On Decline

Canadian employment has been gradually declining to year-ago levels ever since May.

In May, 1957, employment was 188,000 above May, 1956. In June it was 187,000 above the previous June.

From then on the month-to-month comparison has shown a declining rate of increase.

By October we were providing jobs for only 123,000 more people than a year earlier.

In November, it was 68,000; in December, 25,000. In January 1958, it tipped over to a minus.

With the labor force steadily increasing, unemployment has naturally increased.

Apart from the new immigrant workers, there was some increase in the number of Canadians 14-year-olds and over; and in addition we still have a larger proportion of these Canadians — especially women — thinking of themselves as being in the labor force.

The proportion in December, 1957, was 53.6%, compared with 53.1% in December, 1956.

This increase of .5% is equivalent to nearly 30,000 people.

The growth in unemployment since the fall has been well above the usual seasonal pattern, and it will probably continue so for another two or even three months.

Slackening Off

But the rate of increase shows signs of slackening off considerably. In other words, we are probably past the worst of the upswing.

According to the seasonally adjusted figures, the percentage increases in unemployment from month to month have run like this:

May-June 13%.
June-July 10%.
July-Aug. 7%.
Aug.-Sept. 14%.
Sept.-Oct. 4%.
Oct.-Nov. 9%.
Nov.-Dec. under 2%.

The September figure is always a chancy one; but the average monthly increase from May to October amounted to about 10%, seasonally adjusted.

It fell a little below this in November, and dropped very sharply in December.

In expert circles here, where people are trying to take a calm and realistic view of the unemployment problem, it is deeply regretted that politicians and press continue to make such a lot of play with the weekly count at National Employment Service offices of the number of people registered with them.

Even a few years ago, these same experts (or some of them) often made use of the NES figures, because they saw various weaknesses in the labor force survey.

Now they use the labor force survey exclusively; and no expert in this field now bothers with the NES count.

The survey, all admit, has the weaknesses which are inevitable in any sampling technique; but even the former critics in the labor department now say that most of its uncertainties have been removed, and it is the only useful yardstick for measuring the real progress of employment and unemployment.

The count of unplaced applicants at NES offices is the one which reached 796,000 at the beginning of January; and it is the only authority for the newspaper reports and political charges than "unemployment now stands at 800,000."

These NES figures, as the minister of labor has tried to explain and as the experts repeat at every opportunity, is a purely administrative exercise.

Its size depends, entirely, on how carefully the NES offices count their registers over, and how meticulous they are in clearing out the names of people who have not been back for a couple of weeks or more.

Its size also depends even more on what reward people can get from registering with the NES — in other words on their entitlement to insurance benefits.

To draw benefits, they must be registered as looking for work.

The figures therefore include several categories of people who are not earnestly seeking jobs at all: Everybody who has some benefit coming to him (or her) is included, even if he (or she) has no intention or desire for a job.

The NES count, therefore, certainly varies in accordance with every change in the unemployment insurance regulations.

And within the last year these have been widened to admit extra payments to so many people that the number registered is quite meaningless as a comparison with any previous year.

It is not really measuring the same thing.

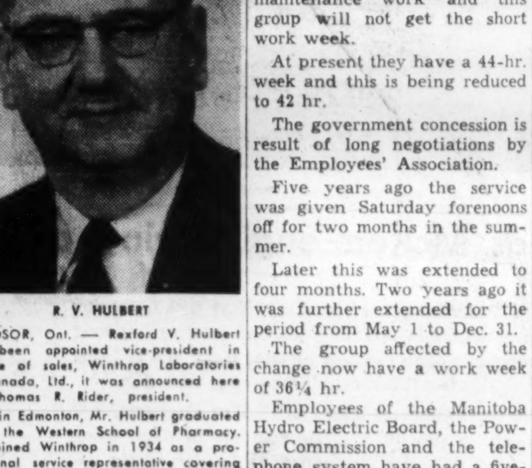
In previous years, with far less reason (because there had been less change in the insurance benefits) the Liberal ministers used to protest loud and often when the Conservatives used the NES figure as a measure of unemployment.

The Conservatives, when in opposition, had never grappled with the significance of the two figures as the Liberals did.

But considering the time and care that Liberal ministers gave them, it is very surprising to find them continually harping on the NES figure.

ANNOUNCEMENT

WINTHROP LABORATORIES NAMES HULBERT SALES VICE-PRESIDENT



R. V. HULBERT

WINDSOR, Ont. — Rexford V. Hulbert has been appointed vice-president in charge of sales, Winthrop Laboratories of Canada, Ltd., it was announced here by Thomas R. Rider, president.

Born in Edmonton, Mr. Hulbert graduated from the Western School of Pharmacy. He joined Winthrop in 1934 as a professional service representative covering Western Canada. He was appointed western sales supervisor in 1946, and sales manager in 1953.

Manitoba Staff Gets 5-Day Week

From Our Own Correspondent

WINNIPEG — The five-day week came into effect Jan. 17 for office employees of the Manitoba government, putting them in the same position with respect to work hours as employees of the city of Winnipeg and the civil service in Saskatchewan, Alberta and British Columbia.

Close to 3,000 members of the service are affected. About one third of the civil service is employed in institutions and on maintenance work and this group will not get the short work week.

At present they have a 44-hr. week and this is being reduced to 42 hr.

The government concession is result of long negotiations by the Employees' Association.

Five years ago the service was given Saturday forenoons off for two months in the summer.

Later this was extended to four months. Two years ago it was further extended for the period from May 1 to Dec. 31.

The group affected by the change now have a work week of 36¼ hr.

Employees of the Manitoba Hydro Electric Board, the Power Commission and the telephone system have had a five-day week for three years.

Their weekly working time is 38¾ hr.

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Wandering 4,000 Members Herded Back into CCCL

MONTREAL (Staff)—Executives of the beleaguered 100,000 Canadian and Catholic Confederation of Labor were smiling this week.

They had successfully headed off a serious break in their ranks.

Trouble started last December when National Federation of Chemical Workers — representing nine CCCL syndicates—announced its intention of joining Canadian Labor Congress' Oil Chemical and Atomic Workers International Union. (**FP**, Dec. 14, 1957).

The federation's executive had tired of waiting for CCCL's merger into CLC, decided to go ahead by itself.

It felt that elements in CCCL were stalling.

When the federation moved on its own, it was good news for the International. The move meant the addition of some 4,000 members to the International's 8,000.

More important still it meant a foot in the Quebec door.

While other internationals advanced on all sides in Quebec, CCCL had hung grimly to chemicals. Now, it appeared, even that stronghold had been surrendered.

Embarrassing Split

For CCCL Secretary Jean Marchand it added up to another embarrassing gap in the united front CCCL should be presenting at regular merger meetings with CLC.

At first the take-over went quietly and well. The officers of the nine Chemical locals voted for the move.

Then came the formality of the member vote.

To practically everyone's surprise eight of the nine voted overwhelmingly to stay CCCL. Only the **Canadian Industries Ltd.** local at Shawinigan Falls approved the switch—and that by a razor-thin 36-35.

A second vote at CIL was called following legal advice, the results were made known over the weekend. The last local was back in CCCL.

It was a major defeat for the Internationals — made all the more sweet for CCCL by the rough treatment handed out in the last two years by International organizers.

For the first time in a long while CCCL could sit down at the merger table with a slightly strengthened hand.

J-M Workers Seek 15% in Two Years

MONTREAL (Staff) — Syndicate of Asbestos Workers and National Federation of Mining Industry Workers (both CCCL) this week announced their demands for an upcoming two-year contract with Canadian **Johns-Manville Co.**

Highlights:

—A 10% pay rise this year, 5% more next.

—A monthly pension of $150 at 65.

—Guaranteed annual wage.

Union-company talks were being held this week.

'Little Man' Debt Bill Amended

MONTREAL (Staff) — There were loud sighs of relief this week in Quebec retail circles.

Controversial Bill 12—the bill to give the "little" man in debt a bett-a break — had been amended.

In its original form, credit agencies argued, it virtually ruled out all protection for the creditor (**FP**, Dec. 28).

Premier Duplessis received a series of briefs from many parts of the business community, suggesting changes.

Last week a revised version of the bill came out. All the offending passages had gone.

In the new version income seizable for the benefit of creditors is taken from all income, not just salary or wages.

Goods bought on credit—and not yet 90% paid for—can also be seized.

And debtors are prevented from transferring any of their income in a marriage settlement to avoid payment.

But once a man goes into debt and makes a declaration to the court, no further action can be taken against him for a part of his salary. Debtors apply to the court for a share of the seizable portion of his income.

That was the real object of the bill.

At mid-week retailers and creditors were warm in their praise for the new bill. So was the opposition—which supported it unanimously.

"It was a lesson—to say exactly what you mean to say in a draft bill," a Quebec government official told **FP** this week. "It was certainly never intended the way people took it."

N.B. Court Rules Rights To 'Ineligible' Unionists

MONTREAL (Staff) — Rebuffed in a New Brunswick court, International Longshoremen's Association (independent) now must review rules governing election of local union officers.

Appeal Division of Supreme Court of N.B. recently upheld the right of two ILA Saint John members to run for office in Local 273.

The union and local officers had fought through the courts to establish that James H. Carlin and Edward J. Cusack, could not run for office in the local.

Key events were those at a meeting of the local union Feb. 6, 1956.

Carlin was nominated for the presidency and Cusack for secretary-treasurer. They were ruled unable to run under Section 9 of Article 6 of the ILA constitution, which reads in part:

"No member employed in a salaried job by an individual firm, company or corporation can at the same time hold office, be a candidate for office or represent a local of the ILA in any capacity without first obtaining permission of the executive council."

This left wage-earners only **Carlin and Cusack for some years had been trying to unseat local union leaders.**

The trial judge ruled that three union officials "maliciously combined" to deny Carlin the right to be nominated, and that two of these three performed similarly in Cusack's case.

The Supreme Court said that Section 9 of Article 6 was not applicable. It suggested that this provision only applies to ILA conventions, not governments of local unions.

Supreme Court Judge Bridges wrote, with concurrence of two other judges:

"I fully appreciate there may be grounds for objection to the plaintiffs becoming officers of the local, as neither can be numbered among the rank and file of waterfront workers . . . they are, however, full members of the local . . ."

This case brings into focus the knotty question of the rights of union members.

In some unions, rights can vary from member to member depending upon their particular employed status.

The increasingly pressing question is whether the dues-paying requirement should give to all basically equal rights. eligible.

Reduced Freight Rates Seen As Ship Building Expands

MONTREAL (Staff) — The world's ship building boom rolls on unchecked — and with it comes hope of lower freight rates as capacities grow.

By far the busiest builder in 1957 was Japan. Britain was a long way behind in second place, a nose ahead of Germany.

Figures released this week by Lloyd's Register of Shipping showed Japan's 1957 production at 2.4 million tons, up from 1.7 million in 1956 and 829,000 in 1955.

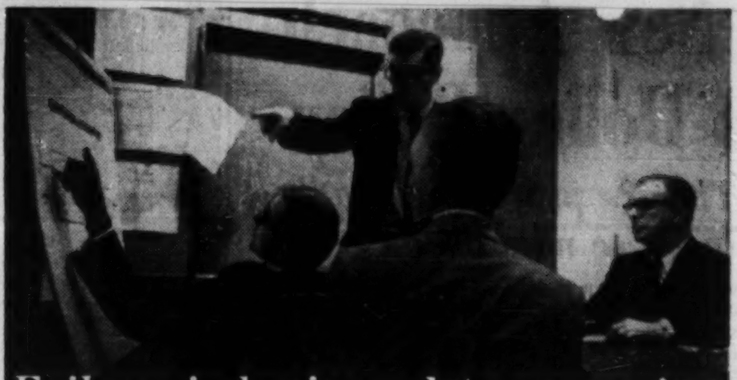
The U.K. in 1957 sent 1.4 million tons down the slipways, slightly more than in 1956, but down from 1.5 million in 1955.

West Germany's total has mounted steadily from 929,000 tons in 1955 to 1.2 million in 1957.

World demand for oil tankers is reflected in steady orders. Total of 332 oil carriers carrying up to 4.9 million gross tons are now under construction in world yards — 50.4% of all ship-building.

Main tanker customers are: U.K. (73), Norway (48), Panama (28), Liberia (27), U.S. (15), France (15) and Sweden (14).

Canada is listed near the bottom in merchant shipping production with a total of 17 vessels of 64,249 gross tons.



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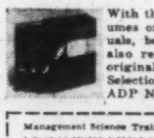

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Hydro Union Fights 'Raids' Of Engineers

Trouble brewing in Ontario's giant Hydro setup?

The cause: The suspended Union of Operating Engineers is being accused of "raiding" the 10,500-member Hydro Employees Union, an affiliate of the Canadian Labor Congress.

Operating Engineers' campaign could mean organizing problems, too, for the public utility **Saskatchewan Power Corp.** and **B. C. Electric Co.** unions.

The ambitious Operating Engineers (membership: More than 10,000) are going after about 850 stationary engineers who do switching, transformer and hydraulic work for Ontario Hydro.

Reports from Hydro's nine regions indicate they have signed about 15% of the electrical operators, mostly in Metro Toronto and northwestern Ontario.

Significance: If successful, Operating Engineers might spark other unions to seek bargaining rights for other Hydro employees. Hydro then would bargain with a multiplicity of unions.

The Hydro contract becomes open April 1.

Operating Engineers says it has been invited by the stationary engineers.

Hydro Employees says it has been raided.

Hydro Union can—and probably will—demand expulsion of the Operating Engineers from the CLC when it meets in Winnipeg in April.

Hydro Union admits that Engineers made progress up to Christmas—but practically none since due to a counteracting campaign.

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A New Approach To Dollar Policy

There's profitable reading in these new books . . .

THE WORLD DOLLAR PROBLEM, by Donald MacDougall; Macmillan Co. of Canada, Toronto; 622 pp.; $8.50.

INTERNATIONAL MONETARY POLICY, by W. M. Scammell; Macmillan Co. of Canada, Toronto; 402 pp.; $8.

DEVELOPMENT BANKS, by William Diamond; Burns & MacEachern, Toronto; 128 pp.; $4.

During the two years after the war, the non-Communist world found that it could pay for only about half its purchases in the U. S. with dollars earned in that country. These were the worst years of the "dollar problem," one of the central economic problems of our time.

The appearance of the dollar problem in its acute form was at least partially a result of the devastation of the war.

However, economic imbalances in the eight years before the war brought about a multiplication of direct controls over the balance of payments.

Given this background, is there any hope that the world may again enjoy free international trading relations such as those existing before the fall of the gold standard in 1931? The reader of both "World Dollar Problem" and "International Monetary Policy" must conclude that this is unlikely for many, many years.

Still, there have been movements in the right direction. Since 1947, there has been a steady progress from bilateralism in the direction of freer payments. And in the last five years, the world has paid for nine-tenths of its U. S. purchases with U. S. dollars.

However, both Profs. MacDougall and Scammell conclude that the dollar problem is likely to re-emerge, with attendant widespread economic and political repercussions.

The central area covered by both of these admirable texts is the same; however, the Scammell book is wider ranging and concerns itself more with international monetary institutions.

Mr. Diamond's book, a publication of the International Bank for Reconstruction and Development, deals with the role of the 100-odd development banks in stimulating economic growth.

ECONOMIC BULLETIN FOR EUROPE; Ryerson Press, Toronto; 75 pp.; 50c.

Prepared by the Research & Planning Division of the Economic Commission for Europe, the latest edition of this bulletin (published three times a year) reviews current economic developments in Europe to November. It makes generous use of statistical tables, charts and maps to supplement its clear, well balanced text.

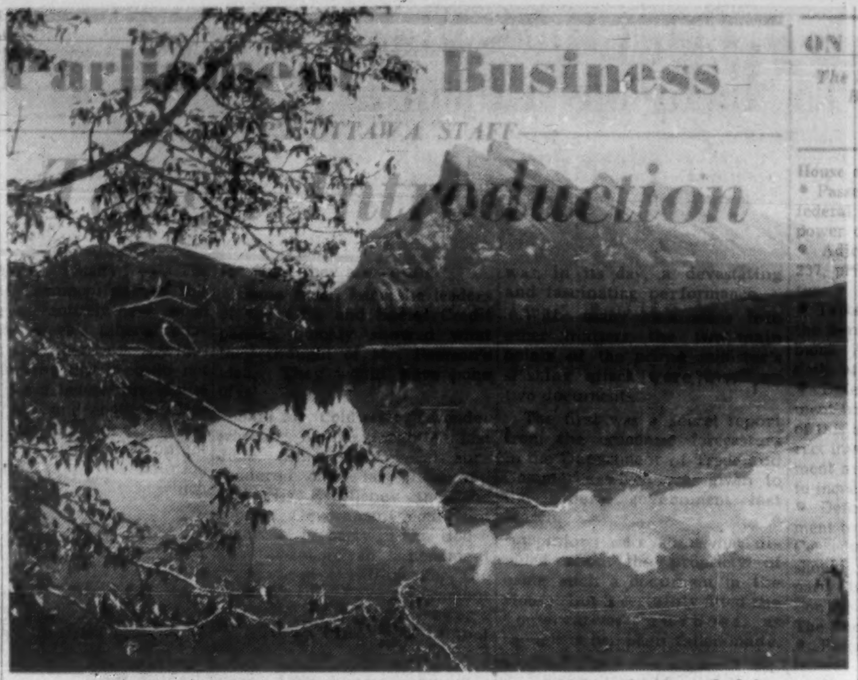
UN YEARBOOK OF INTERNATIONAL TRADE STATISTICS, 1956; Ryerson Press, Toronto; $7.

The first of a projected two volume study of postwar world trade shows that the recovery and expansion of this trade was achieved by a gradual reconstruction of a trade pattern similar to that existing before the war. But the Year-book's compilers note, as an exception, that trade of dollar countries increased greatly.

Volume I contains, for the first time, statistics on Bulgaria, Czechoslovakia, Eastern Germany and Hungary.

THE NETWORK OF INTRA EUROPEAN TRADE by Organization for European Economic Co-operation, 2 rue Andre-Pascal, Paris XVI, France; 217 pp.; $3.

This compilation of trade by product in 1956 provides basic data for any study of the European countries' common markets. Tables, covering 207 commodities and categories, indicate quickly the trade between any two OEEC countries, or between any one of these countries and the proposed Free Trade or Common Market Areas. Both values and quantities are given.



MOUNT RUNDLE in Banff National Park, one of the parks described in America's National Parks (Doubleday, Toronto; 260 pp.; $8.50). Spectacular scenery is depicted in 33 full-color and 494 black-and-white photographs of U. S. and Canadian national parks selected by Nelson Keyes.

PRESCRIPTION FOR SURVIVAL, by Brock Chisholm; Oxford University Press, Toronto; 92 pp.; $3.

How can man, brought up in the traditions and habits of bygone ages, survive in an era of hydrogen bombs and intercontinental ballistic missiles?

Dr. Brock Chisholm, a Canadian who would probably prefer now to call himself a world citizen, asks and answers this question in a series of four lectures reprinted here under one title.

Chisholm, who rose to the rank of major-general in the Canadian Army and subsequently served first as Deputy Minister of Health in Ottawa and then for five years as director general of World Health Organization, believes that above all things man must learn to use his imagination more to free himself from obsolete beliefs and superstitions.

Only then will he grasp the true prescription for survival, which is a citizenship of the human race that knows no national boundaries.

THE GRAND TRUNK RAILWAY OF CANADA, by A. W. Currie; University of Toronto Press, Toronto; 556 pp.; $8.50.

For nearly 75 years, the Grand Trunk Railway was the most important economic institution in the daily lives of thousands of people in southern Ontario and Quebec and much early Canadian economic development was linked to growth of the system.

Yet the railway, as Professor Currie demonstrates, wasn't too well managed or planned and suffered from involvement in politics on questions of finance, freight rates and labor problems.

The author succeeds in piecing together a good deal of information on the financial tribulations of Canada's railways. The various methods employed to keep them solvent make fascinating reading.

THE WEST INDIES, A NEW FEDERATION, by Alexander Brady; Canadian Institute of International Affairs, Toronto; 16 pp.; 20c.

This new issue of the CIIA's "Behind the Headlines" pamphlet series marks the launching, this month, of a major Caribbean political venture. It outlines the problems that led to the founding of the federation, and the problems that it must cope with.

ENGINEERING CAREERS IN CANADA, Engineering Institute of Canada; 191 pp.; free at any branch of the Institute.

This is a survey of engineering opportunities in Canada. It deals with 17 types of endeavor —ranging from the civil service and armed forces through consulting work to the better-known industrial areas. Very useful to the young graduate or to the student choosing a career.

GORKHA, THE STORY OF THE GURKHAS OF NEPAL, by Sir Frances Tuker; Longmans, Green & Co., Toronto; 319 pp.; $9.

This book takes its title from the mountain village of Gorkha in the Nepalese Himalaya; from this village comes the martial race known the world over as the Gurkhas, a people on what is now the outpost of one of the most tender frontiers of the world.

The author, a British general who served 34 years in India, much of the time in command of Gurkhas regiments, traces the association of the Gurkhas and the British from the 18th century to 1956.

The Nepalese have their king and they were never more than allies of the British; they were not a part of the British India.

Yet, as Sir Frances says, "they have shown a veneration and a selfless devotion to the British cause which can hardly be matched by any other race to another in the whole history of the world."

Another British writer has written of the Gurkhas: "Uncomplaining you endure hunger and thirst and wounds, and at last your unwavering lines disappear into the smoke and wrath of battle. Bravest of the brave, most generous of the generous, never had country more faithful friends than you."

***FLIGHT OVERSEAS* by Henry B. Lent (Brett-MacMillan, Toronto; 170 pp.; $3) describes the planning and operation of a New York-London Super-Constellation flight, in words and pictures. For air-minded children 10-14.**

I HAVE SEEN QUEBEC by Marius Barbeau; Macmillan Co. of Canada, Toronto; 77 pp., more than 300 illustrations; $3.50.

Dr. Barbeau, the first French-speaking Canadian to win a Rhodes scholarship (1907), and former National Museum of Canada anthropologist and folklorist, has gathered a remarkable collection of pictures and drawings of the old City of Quebec.

The is a refreshing voyage into the provincial capital's artistic past, its sculpture, painting, handicrafts, and famous landmarks.

HITLER: THE MISSING YEARS, by Ernst Hanfstaengl; McClelland & Stewart Ltd., Toronto; 299 pp.; $6.

The author is in a unique position to speak about the Nazi movement. His mother was American (from a New England family). His father was a Munich businessman who had set up a branch office in New York. Hanfstaengl was educated at Harvard, remained in the U. S. most of the time between 1905 and 1921.

He met Hitler soon after his return to Germany. Hitler was "a minor political agitator, a frustrated ex-serviceman, awkward in a blue serge suit. He looked like a suburban hairdresser on his day off." Hanfstaengl became the foreign press chief of the Nazi party.

This book describes Hitler's rise to power. It is a conclusive story, put down on a tape recorder by a man of 70, whose memories are colorful and compelling.

THE BUSINESS QUARTERLY, WINTER, 1957; School of Business Administration, University of Western Ontario, London; 85 pp.; $1.50; $5 a year.

This number of this informative publication contains seven major articles, two of which are reprints of addresses at functions during the fall at the university. The other five deal with these subjects: foreign control of Canadian business, 1958 business prospects, farm marketing, the qualities of company presidents: lessons government can learn from business and vice versa. The analysis of the effects of foreign control of Canadian business is particularly wide-ranging.

HISTORICAL ESSAYS, by Hugh Trevor-Roper; Macmillan Co. of Canada, Toronto; 298 pp.; $4.

This is a distinguished book by the author of perhaps the best-written of all historical books on World War II, The Last Days of Hitler.

In this collection of essays, which ranges over most of human history, Mr. Trevor-Roper, Regius Professor of Modern History at Oxford, explores the interplay between man and the social forces which surround him.

The social forces to Mr. Trevor-Roper are determinable; the human mind is not. He explores the point in 42 essays which are interesting and (though the word carries too feminine an implication to describe a style which is essentially masculine) charming. They are not trifles either.

Sir Winston's Third Volume

THE AGE OF REVOLUTION, by Winston S. Churchill, McClelland & Stewart, Toronto; 402 pp.; $6.50.

This is the third volume of Sir Winston's History of the English-speaking Peoples and perhaps the best so far — altogether a first-class general history of England 1688-1815 with emphasis on action and pageant.

The first volume dealt with the interplay of forces in the Saxon age; the second traced the emancipation of Parliament from both the tyranny of the monarchy and that of the army under Cromwell.

Sir Winston is probably more at home in this period, having written many years ago a definitive biography of his great ancestors, the Duke of Marlborough and his wife Sarah.

Besides, the period abounds with people of action, a type well understood by Sir Winston.

The book contains also a lucid and succinct description of events leading up to the American Revolution and an account of the U. S. Constitution.

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ANNOUNCEMENT

ONTARIO HYDRO APPOINTMENTS

W. H. EDWARDS — F. O. PRICE — O. S. RUSSELL

The Chairman of Ontario Hydro, James S. Duncan, C.M.G., LL.D., has announced the appointment of a new Regional Manager and two new Directors.

W. H. Edwards, B.A.Sc., P.Eng., formerly Director of the Frequency Standardization Division, becomes Manager of the Commission's West Central Region, Hamilton. Graduating in electrical engineering from the University of Toronto in 1929, Mr. Edwards joined Ontario Hydro the same year and has served in a number of important capacities.

F. O. Price, B.Sc., P.Eng., formerly F.S.D. Materials and Standardization Engineer, has been named Director of the Frequency Standardization Division. Mr. Price graduated in electrical engineering from the University of New Brunswick in 1947, joined Ontario Hydro in 1948, and has held a number of highly responsible positions with the Commission.

O. S. Russell, B.Sc., P.Eng., formerly Manager of the West Central Region, has been appointed Director of the Organization Services Division, succeeding Gordon B. Tebo who has left the Commission. Mr. Russell graduated in electrical engineering from Queen's University in 1930 and joined the Commission the same year, having served in Niagara district and London as well as at Hamilton.

Skog says...

"You won't find confident living without looking"

Peace of mind is probably the ultimate goal for most of us. Our need for it is reflected in most of the things we do, in our attendance at church (which has increased sharply across the country), in our search for security of jobs and wages, in our defense of the principles of freedom. But peace of mind can't be found on a bargain counter or under a rock. It must be sought and planned for.

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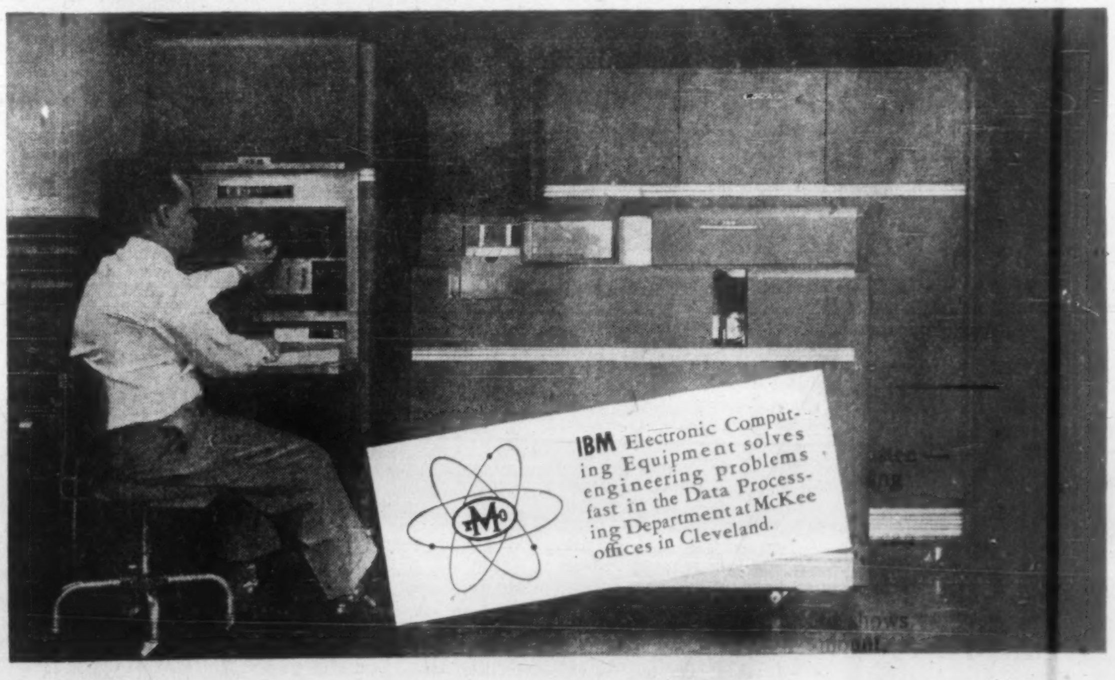

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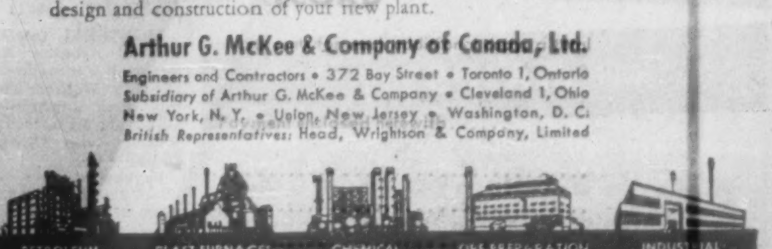

Market Comment

What stocks and bonds are doing and what prominent observers say

Despite oft-repeated assurances to the contrary there is evidence almost daily of the Canadian and U. S. governments, increasing concern over the present business slow-down.

A new development in Canadian markets this week has been the sudden splurge of activity in several speculative mining issues in the under-a-dollar price range. Apparently restive for some months over the depressed market action several mining promoters appear ready to try some financing moves.

• • •

J. FAIRFAX-ROSS; Hugh Mackay & Co. (Montreal).

"Over - simplification is dangerous," they tell us. The only trouble with this maxim is that if the investor tries to take into account all the complexities which may affect the market in 1958, he probably gets so bogged down that he cannot make any decisions at all. Consequently, one may be justified in reducing the outlook to a skeleton which looks something like this.

The best evidence available indicates that from the economist's viewpoint the current recession ought to last another two full years. "Normal" demand would not overtake present manufacturing capacity (and thereby cause another boom) until 1960.

However, a recession of this duration may be most undesirable from a political viewpoint, and governments may try and shorten it by deficit financing, easy credit, lower taxes, etc. (It is unlikely that increased defense expenditures in the U. S. could, by themselves, cause another boom.)

So we have a battle between the economists and the politicians, of which the resignation earlier this month of Peter Thorneycroft, British Chancellor of the Exchequer, is an excellent example.

If the economists win, the market will probably go down—if the politicians win, it will probably go up.

As there is no means of knowing the outcome of this battle, it would be presumptious to take a view on the stock market.

One can, however, make two positive suggestions for the employment of investment funds today.

• **Buy fixed** income securities, as interest rates look as if they will decline further over the near term.

• **Buy investment** grade stocks, selling at or below levels where they provide real value. These levels can usually be arrived at by taking into consideration such statistical yardsticks as asset value, average earnings over a long period etc. The future of this country being what it is, Canadian stocks with quality will probably spend a greater proportion of the next ten years selling on an over-valued basis than otherwise. So the investor buying values today should have plenty of chances to liquidate at a profit.

• • •

P. M. RICHARDS: J. R. Timmins & Co. (Toronto).

We feel that the stock price averages may well go lower before a sustained advance sets in. Many first quarter earnings reports seem sure to make thoroughly discouraging reading, and there are signs that the present downward movement of business is beginning to be affected by cumulative pressures, meaning that each dip tends to create the conditions which produce another (as in the fall of copper prices).

On the other hand, the averages give a false impression of the position of individual securities. The fact that "you don't buy the averages" is especially true of the Canadian field, which broadly is a less mature, more "speculative" economy than that of the U. S. and one holding possibilities of relatively greater changes and rewards.

We are now in a period of recession which may take us to lower levels of business activity and stock market prices than have been seen so far. But this is also a period in which stocks that are "comers" are building a base for a future advance that may have little relation to the movement of the averages. These are stocks which tend to hold their ground or make headway when others are sliding off.

Since this will probably prove to be a U-shaped rather than a V-shaped recession, with the initiation of recovery a little harder to recognize than if the upturn were sharper, the stock market's reflection of the process, first, of business stabilization and secondly of improvement may also be difficult to appraise correctly. But we think such appraisal will be unusually rewarding.

Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Manufacturing

FLEET MANUFACTURING LTD., Fort Erie, Ont., net loss for the year ended Sept. 30, 1957, was $174,790, 91.6% greater than net loss of $91,225 for previous year.

Loss does not include $442,385 writeoff of company's investment in **Doman-Fleet Helicopter Ltd.**, 50% owned.

In view of losses each of the last three years, the directors are convinced that company's operations cannot be maintained on a profitable basis without a greater volume of business and more adequate financing, reports D. Robertson, chairman and president.

As long as the company remains essentially a sub-contractor in the aircraft and communications industries it cannot be assured of any significant increase in business volume. Expansion into new and different product lines would require additional capital which is not available, he states.

Financing plans have been discussed with a number of groups in recent months but none of these groups has made a firm offer in writing which would provide sufficient funds.

An agreement of sale and purchase with de Havilland Aircraft of Canada Ltd. has been entered into, subject to the approval of shareholders.

A special general meeting has been called for Feb. 3 to vote on the de Havilland offer. Shareholders will also be asked to vote on the release of Masters Smith & Co. from their commitment to buy 75,000 shares at 73c per share.

If these resolutions are approved, company's assets should be converted into cash during the next 12 months, Robertson reports.

During the past fiscal year H. L. Eberts resigned as president. J. L. Lewtas and B. W. Richardson resigned as directors. O. J. McKeough, C. Teskey Smith and R. M. Syer were elected directors in their place.

INCOME ACCOUNT

Years Ended Sept. 30:	1957	1956
Oper. profit	*$3,468	$82,717
Less: Deprec.	89,967	121,865
Deb. disc. amort.	5,650	5,650
Funded debt int.	27,508	30,911
Other int. & exp.	22,680	15,516
Adv. w/o	25,517	......
Net loss & deficit	174,790	91,225

*Loss.

Earnings per Share and Dividend Record:		
Earned	d$0.17	d$0.09
None paid.		
Shares o/s as at Sept. 30:		
Common, n.p.v.	1,012,000	987,000

CONDENSED BALANCE SHEET

As at Sept. 30:	1957	1956
Cash	18,000	86,000
Accts. rec., less res.	335,496	488,733
Inventories	888,708	869,431
Total curr. assets	1,232,204	1,384,164
Prep. exp.‡	9,257	13,366
Inv. in helicopters	52,000	491,918
Fixed assets*	590,613	695,017
Debent. discount	38,631	44,231
Total assets	1,922,705	2,608,746
Due bank	295,057	427,349
Accts., tax., etc., pay.	460,910	547,912
Debt instal.	64,500	90,000
Total curr. liab.	819,467	1,065,261
Mortgages	335,035	369,536
Funded debt	236,500	236,500
Capital stock	1,084,344	1,065,594
Earned surplus∙	562,641	128,145
*After depr. of	1,129,207	1,070,938

∙Deficit.

‡Incl. in curr. assets in co.'s report.

Working capital	402,737	298,903

Construction

GYPSUM LIME & ALABASTINE CANADA LTD., Toronto, consolidated net profit of $2,069,707 for year ended Nov. 30, 1957 was slightly higher than previous fiscal year's $2,058,611.

Earnings were maintained despite lower level of residential construction, says President Philip Norcross Gross. An increased market for limestone products resulted in record sales volume and earnings for the industrial division.

Total net capital expenditures amounted to $1,781,678 which included construction of a second rotary kiln at Beachville, and modernization of Windsor, N.S. plant.

Plant capacities are now adequate to meet all present demands. Engineering studies are now being made in connection with possible further plant expansion. Capital expenditures for coming year are expected to be $1.9 million.

Funded debt was reduced to $800,000 by payment of $100,000 serial bonds maturing Nov. 1, 1957 and another $100,000 serial bonds retired in advance of due dates.

In closing months of 1957 there was an appreciable improvement in volume of residential construction. It is anticipated that the early months of 1958 will show an improvement over similar period in 1957. Indications are demand for industrial products will be satisfactory this year.

Annual meeting is Feb. 26.

CONS. INCOME ACCOUNT

Years Ended Nov. 30:	1957	1956
Net earnings	$5,198,990	$4,886,054
Less: Depr. & depl.	1,395,499	1,160,443
Bond int.	31,784	35,000
Inc. tax res.	1,702,000	1,632,000
Net profit	2,069,707	2,058,611
Less: Divds.	1,057,141	1,056,103
Surplus for year	1,012,566	1,002,508
Times All Bond Interest Earned:		
Before depr. & depl.	163.57	139.60
After depr. & depl.	119.67	106.45
Earnings per Share and Dividend Record:		
Common (new)*	$2.35	$2.34
Paid	1.20	0.60
Common	....	....
Paid	.....	1.20

*After 2-for-1 stock split June 1, 1956.

Shares o/s as at Nov. 30:		
Common, n.p.v.	881,816	880,066

CONDENSED CONS. BALANCE SHEET

As at Nov. 30:	1957	1956
Cash & Dom. bds.	$3,386,891	$2,908,246
Accts. rec.	2,498,455	2,404,700
Inventories	2,755,570	2,881,424
Total curr. assets	8,642,916	8,194,370
Prep. exp.‡	136,269	43,274
Misc. assets	......	60,673
Fixed assets*	7,850,711	7,442,044
Total assets	16,629,896	15,740,361
Accts., etc., pay.	1,270,740	1,117,736
Taxes pay.	689,174	799,861
S.f. instal. pay.	......	100,000
Total curr. liab.	1,959,914	2,017,597
Conting. res.	500,000	500,000
Funded debt	800,000	900,000
Capital stock	2,234,867	2,200,215
Surplus	11,135,115	10,122,549
*After depr. & depl.	12,168,173	10,795,162

‡Included in curr. assets in co.'s report.

Working capital	6,683,002	6,176,773

ALUMINIUM LTD. during December issued an additional 38,145 common shares under company's share purchase and option plans raising number of common shares outstanding to 30,168,210.

Parliament's Business

By FP's OTTAWA STAFF

A Tough Introduction

OTTAWA (Staff) — The House of Commons started this week in an entirely new mood after last week's Liberal convention; and there was a widespread feeling that it could not be very long before this House is dissolved and another election called.

But the Liberals, who might have brought about dissolution by proposing a resolution which the CCF and perhaps Social Credit parties would have had to support, did not do so.

Mr. Pearson's first act as leader of the Opposition was to propose an amendment to the motion to go into supply (the traditional time for raising grievances), which was couched in such terms that the smaller parties could not vote for it. So there was no chance of beating the government on Liberal initiative.

Mr. Pearson declared: "Nothing is more obvious than the desire of this government for a vote in the House. Their morbid preoccupation with an election is due, I think, to their desire to go to the people before the people have had time to realize how bad their record already is, and before the people realize how badly they have already undermined confidence in our future."

The only alternatives, he said, were a Liberal or a Conservative government. If the other parties would give him an assurance of support by voting for his motion, said Mr. Pearson, "I would be prepared to form a government to tackle immediately the formidable problem of ending 'the Tory pause' and getting this country back on the Liberal highway of progress."

If the other parties did not support his motion, on the other hand, he said: "The public are entitled to the assurance that there will not be an election without a budget and without completing the federal-provincial conference and implementing the rest of the Tory promises so people will know for what they are voting."

Some hours later the leaders of the CCF and Social Credit parties quickly showed what they thought of Mr. Pearson's idea. They would have none of it.

Said Mr. Coldwell: "I wonder whether he has forgotten last June. Since the Liberals surrendered office last June and told His Excellency that the Liberal Government could not carry on, no party in this House could support an amendment of this kind calling for the resignation of the government in order to put back in power a party which said it could not carry on."

But before the House got to that — the conclusion it expected — it had heard the most remarkable feat of forensic oratory that most of the members could remember.

Prime Minister John Diefenbaker turned all his long experience as a jury lawyer onto Mr. Pearson. He was amusing, forceful, brilliant. He talked for nearly an hour and a half before the dinner recess and the best part of an hour after it.

He had briefed himself in clever anticipation of the subjects Mr. Pearson was likely to raise; and he went after Mr. Pearson like a ruthless prosecuting counsel.

It was a tough introduction for the new Liberal leader to his post of leader of the Opposition. But he took it very calmly, and showed anger only once, when Mr. Diefenbaker accused him of ignoring Commonwealth ties.

Intervening, Mr. Pearson asked him to withdraw this "contemptible inaccuracy."

Observers were not all agreed whether Mr. Diefenbaker was fair: They all agreed that he was not kind: and they agreed that he was clever. It was, in its day, a devastating and fascinating performance.

With many excursions into other matters, the two main points of the prime minister's slashing attack were based on two documents.

The first was a secret report from the economic forecasters in the Department of Trade and Commerce which was given to the Liberal government last March.

Opinions were somewhat divided about the propriety of using such a document in the House; but it certainly fitted the Conservatives' purpose as though it had been tailor-made.

The second was a speech Mr. Pearson had made at San Francisco last July.

The Prime Minister used these two, because Mr. Pearson's attack had concentrated on two main points:—

Unemployment and foreign trade.

The first report contained warnings to the Government that capital investment had passed its peak, production was leveling out and unemployment in the following winter would be up.

On foreign trade, Mr. Pearson attacked the Conservatives for offending the U.S., and getting the oil embargo as a result.

So Mr. Diefenbaker quoted the July, 1957, speech in which Mr. Pearson had said, for example: "The present unfavorable trade balance cannot be allowed to continue," and "unless our exports to the U. S. can be increased, Canada will obviously have to take some sort of remedial action."

On the second day, Mr. Chevrier and Mr. Martin entered the lists for the Liberals and Mr. Fleming for the Conservatives. But after the drama of Monday it could hardly avoid being an anti-climax.

And the vote on Tuesday night completed the anti-climax. Liberals and the other opposition parties failed to get together on any amendment.

The government won all the votes; and Howard Green's crack on Monday night (when he announced the business for Wednesday with the remark "If there is a Wednesday") proved a false alarm.

The House will not be quite the same as it was before the week's fight. But the signs of immediate dissolution are again lost in the secret recesses of the prime minister's mind.

ON THE RECORD

The Progress of Measures Before Parliament (to Jan. 21)

House of Commons:

• Passed Bill 244 to provide for federal financial aid to Maritime power development.

• Adjourned debate on Bill 237, price supports for agriculture.

• Talked out Bill 22, to amend the Senate and House of Commons Act, to require taking daily attendance of members.

• Defeated CCF sub amendment to the final supply motion of this session (more federal direct investment to spur employment and consideration of steps to increase trade with U. K.).

• Defeated a Liberal amendment to the Supply motion (the Conservative government should resign, let the Liberal party take over without election).

The Senate:

• Passed Bill 234, to permit federal financial aid to Beechwood power project in New Brunswick.

Record of Financing

Dominion Governments. Offerings of Corporation and Securities.

DOMINION

Government of Canada Treasury Bills —Due Apr. 3, 1958, $125,000,000. Issued Jan. 2, 1958. Sold at $99.121 to yield 3.60%.

Government of Canada Treasury Bills — Due Apr. 11, 1958, $125,000,000. Issued Jan. 9, 1958. Sold at $99.100 to yield 3.64%.

Canadian National Railways Co. (Guar. by Government of Canada) — 4% bonds, due Feb. 1, 1981, $300,000,000. Dated Feb. 1, 1958 Offered at $97.00 by the Bank of Canada through investment dealers and chartered banks.

MUNICIPAL

School Commission for Mun. of City of Dorval, Que. — 4½% and 5% debentures, due Jan. 1, 1959-60-73-78, $115,000. Issued Jan. 7, 1958. Sold at $97.829 to Belanger, Inc.

Catholic School Commission of Hull, Que. — 5% debentures, due Feb. 1, 1959-78, $825,000. Issued Jan. 7, 1957. Sold at $98.88 to J. F. Simard & Cie, Ltee.

Village of Manseau, Que. — 5% debentures, due Jan. 1, 1959-78, $50,000. Issued Jan. 7, 1958. Sold at $98.31 to Credit Quebec, Inc.

City of Ottawa, Ont. — 4½% debentures, due Jan. 1, 1959-73, $3,676,000. Issued Jan. 7, 1957. Sold at $99.60 to Equitable Securities Canada Limited, Toronto-Dominion Bank, J. L. Graham & Co. Limited, L. G. Beaubien & Co. and Bankers Bond Corpn. Ltd.

Village of St. Zotique, Que. — 5% debentures, due Feb. 1, 1959-73, $35,000. Issued Jan. 7, 1957. Sold at $96.55 to Rene T. Leclerc, Inc.

Town of Megantic, Que. — 4½% and 5% debentures, due Feb. 1, 1959-73-74, $217,500. Issued Jan. 8, 1958. Sold at $95.32 to Banque Provinciale de Canada, Morgan, Ostiguy & Hudson, Ltee and Gaston Laurent, Inc.

Parish of Orsainville, Que. — 5% debentures, due Nov. 1, 1958-77, $80,000. Issued Jan. 8, 1958. Sold at $95.67 to J. E. Laflamme, Ltee, La-Corporation de Prets de Quebec, Garneau, Boulanger, Ltee and Grenier, Ruel & Cie, Inc.

Municipality of the County of Inverness, N.S. — 5¼% 1-20 year debentures, $200,000. Issued Jan. 7, 1958. Sold at $99.16 to Nesbitt, Thomson & Co. Ltd. and Royal Bank of Canada.

CORPORATE

British Columbia Electric Co. Ltd. — 5⅛% series "M" first mortgage bonds, to mature Jan. 2, 1988, $50,000,000. Dated Jan. 2, 1958 Offered at $100.00 and accrued interest to yield 5.125% by Nesbitt, Thomson & Co., Ltd., Wood, Gundy & Co. Ltd., Societe de Placements Inc., A. E. Ames & Co. Ltd., Dominion Securities Corpn. Ltd., Royal Securities Corpn. Ltd., McLeod, Young, Weir & Co. Ltd., W. C. Pitfield & Co. Ltd., Greenshields & Co. Inc., Pemberton Securities Ltd., Mills, Spence & Co. Ltd., Cochran, Murray & Co. Ltd., James Richardson & Sons, Midland Securities Corpn. Ltd., Collier, Norris & Quinlan Ltd., Rene-T. Leclerc, Incorporee, The Western City Co. Ltd., Harris & Partners Ltd., Burns Bros. & Denton Ltd., Equitable Securities Canada Ltd., Eastern Securities Co. Ltd., Yorkshire Securities Ltd., Gairdner & Co. Ltd., Savard & Hart Inc., R. A. Daly & Co. Ltd., Anderson & Co. Ltd., F. J. Brennan & Co. Ltd., Houston, Willoughby & Co. Ltd., Tanner Bros. Ltd., Carlile & McCarthy Ltd., Odlum Brown Investments Ltd., Hagar Investments Ltd., Okanagan Investments Ltd., Thomas B. Read Co. Ltd., McDermid, Miller & McDermid Ltd. and Hall Securities Ltd.

Ontario Natural Gas Storage and Pipelines Ltd. — 5¼% first mortgage sinking fund bonds, to mature Jan. 15, 1978, $20,000,000. Dated Jan. 15, 1958. Offered at $100.00 and accrued interest by A. E. Ames & Co. Ltd., Dominion Securities Corpn. Ltd., Wood, Gundy & Co. Ltd., McLeod, Young, Weir & Co. Ltd., Midland Securities Corpn. Ltd. and James Richardson & Sons.

Consumers' Gas Co.—5% first mortgage sinking fund bonds, series B, to mature Feb. 1, 1978, $20,000,000. Dated Feb. 6, 1958. Offered at $98.50 and accrued interest by Dominion Securities Corpn. Ltd., A. E. Ames & Co. Ltd., Wood, Gundy & Co. Ltd., McLeod, Young, Weir & Co. Ltd., Nesbitt, Thomson & Co., Ltd., Gairdner & Co. Ltd., Bell, Gouinlock & Co., Ltd., Mills, Spence & Co. Ltd., Royal Securities Corpn. Ltd., Harris & Partners Ltd., James Richardson & Sons, Burns Bros. & Denton Ltd., Deacon Findley Coyne Ltd., Cochran, Murray & Co. Ltd., Midland Securities Corp. Ltd., Matthews & Co. Ltd., R. A. Daly & Co. Ltd., Dawson, Hannaford Ltd., Equitable Securities Canada Ltd., W. C. Pitfield & Co., Ltd., Bankers Bond. Corp. Ltd., Collier, Norris & Quinlan, Ltd., Bartlett, Cayley & Co. Ltd., Brawley, Cathers & Co., Wills, Bickle & Co. Ltd., Walwyn, Stodgell & Co. Ltd., Fry & Co. Ltd., Anderson & Co. Ltd., F. W. Kerr & Co., Beatty, Webster & Co. Ltd., Charles H. Burgess & Co., Fairclough Co. Ltd., Ross, Knowles & Co. Ltd., Goulding, Rose & Co. Ltd., Flemming & Co. and L. M. Green & Co.

Unlisted Mines and Oils

(By Brokers Dealers Assoc. of Ont.)

Approximate quotations, 3.30 p.m., Jan. 20, subject to confirmation and change. An asterisk (*) indicates an increase in price; a dagger (†) a decrease in price.

	Bid	Ask		Bid	Ask
Abbican	18	20	Magoma	1	3
Abeta	6	7	Main O	13	15
Advance	8	9	Manecho	3	4
Alexander	3	4	Mal RL	5	7
Ama Kir	2½	3½	Mar Bd	†11	12
Anabar	1	3	Mat Can	5	7
Anamaq	1	1½	Maree	1½	3
Anuwon	2	3	Mate Yel	4½	5½
Arctic	2	3	McCuaig	1	3
A Chib	5	10	McFinly	3	5
Barima	10	12	Miles RL	1½	3
Bramine	6	9	Millkirk	5	8
Beacon	4	7	Mindust	65	85
Belfast	2½	4	Mirado	8	10
B Jck P	*3	5	Mt Keno	2	3
B Grass	2	4	Montco	3	5
B McDad	5	7	Murk F	10	15
Bour C	2	4	Murmac	1½	2½
Braceq	*8	9	Mury M	*25	27
Bright	1	2	Nat New	*8	10
Bruce P	9	12	Nasco	2	4
Brunette	3	4	Nw Met	5½	6½
Camdeck	2	3	Nw Aug	4½	5½
Camlaren	2	3	N Insco	4	5
Camp I	4½	5½	N Redwd	3	5
Camray	2	3	New Wal	1½	2½
Can Rd	10	12	Nickel O	3½	4
C All M	1	3	Nickel L	3	5
Cn Man	7	9	Nicoba	3	5
Cnt Hill	6	8	Nipiron	*13	15
Caral	—	20	Norcourt	1	2
Chellew	3	4	Norbeau	50	60
Clinger	3	4	Norford	1	3
Clix	4	6	Normar	1	3
Columbr	1½	2½	Ocean	150	170
Columbin	1	2	Oklend	4½	6
Comstock	3	5	O'Rare M	6	8
Con Harp	4	6	Orofina	5	7
Con Co	13	15	Ortona	2	4
Conecho	4	5	Pacemker	1½	2½
Crack S	2	4	Pascalis	10	14
C Vauze	*18	20	Pax nw	15	25
Cordell	4	6	Payne	1	3
Craibbe	7	8	Peach	800	900
Croydon	2	5	Pelangio	1½	3
Deriac	2	4	Pickering	3	5
Desmont	½	2	Picton	3	4
Despina	4	6	Pine P	550	600
Destrad	1	2	Pitchvein	3	5
Dom Ex	7	9	Plum N	30	40
Dunvegn	2	4	Quejo	3	5
Durham	2	3	Quest	1	3
East Lun	1	3	Raglan	†72	75
Echo Ind	1	3	Rand M	4	6
E Bon	2	4	Red Brk	3	5
Farcroft	2	4	Redcon	2	4
Flicka	1½	2½	Redruth	1	3
Forty Fr	20	35	Rhyolite	½	1½
G Chib	—	20	Richgrup	3½	5
Gan Cop	4½	5½	Rio Ti	†165	170
Gateway	3	6	Romar	5	10
Glenbck	*4	5	Rugged	1	2
Glencona	1½	2½	Russet	3	5
Glen Ec	†6	8	Salmita	2	3
G Harker	8	11	Sheldon	7	9
Gord Lab	½	1½	SladenQ	35	60
Gldman	2	4	St Mary	20	24
Goldyke	1	3	Slate By	1	2
Gov Gold	3	5	Snow L	3	5
Grd Chb	40	50	Starlight	2	4
Hedwtr	—	30	Sn Bear	1½	2½
HG Yng	13	16	Surpass	40	43
Hornfalt	6	7	Th'crest	9	11
Hot Min	3	5	Tower	3	5
Hubt L	11	13	Tresdor	10	12
Hudn U	—	30	U Ridge	7	10
Hucamp	3	5	Ungay C	*3½	5
Independ	5	6	Viking	6	10
Jamaica	5½	7	Wadge	†2	4
Jean Lk	8	10	Wesley	4½	5
Jerome	4	5	Westall	3	5
Kamlac	5	7	West RL	1½	3
KB Mng	4½	5½	W Wasa	2	4
Kenda P	1	2½	Y David	13	15
Kenog	5	6	**OILS**		
Laronge	3	5	B C Oil	250	350
Lrndona	3	5	C Delhi	700	750
Laroma	3	4	C Sup	*1875	1975
Larum	3	5	Harvest	*23	27
L Expan	*3½	4	Long Pt	40	43
Lake R	7	12	N Randi	2	4
Lwr Can	1½	3	O Smoky	2	3
Lun Ec	†24	27	Paige Pt	5	8
Lynwth	8	12	Sbmarin	*53	55

Unlisted Mines and Oils

(Compiled from Quotations by G. E. Leslie & Co., Montreal) Jan. 20, 1958.

Stock	Bid	Off.	Stock	Bid	Off.
Absam	..	5	Natl Mal	5	8
Aconic	85	95	Miller Cop	5	8
Do vtc	40	50	Nipiron	12	13
Amer Ch	20	25	Norbeau	55	65
Americ	1	3	Nordeau	74	84
Arnora	2	4	North Ex	28	30
Assoc Dev	6	8	Oklend	5	8
Atl Chib	5	8	Ont Nickel new	10	13
Bald Mtn	10	12	Pascalis	11	14
Baraca	..	30	Provincial	2	4
Belmont	5	10	Que Cob	1.50	1.60
Bros'n Ch	20	30	Quedon	..	15
Big Nell	15	20	Quejo	2	4
Cdn Javin	14½	15½	Rand Mal	2	4
Cent M	1.25	2.00	Roberval	60	70
Dadson	10	15	St Jude	..	25
Eldwood M	2	4	Scott Chib	4	6
Flicka	2	4	Seaway O	30	40
Garland	..	15	Selby M	..	15
Glencona	1½	2	Starlight	3	5
Hastings	28	34	St Roberts	46	50
Independt	5	8	Tarpoint	2	4
Inter Asb	1	3	Trepan M	40	..
Kenmac	3	5	Wesley	3	6
Lun-Echo	23	27	Wedro L	..	50
Lyndvue	..	34	Wm.Leys	..	8
Main Oka	11	14	Young D	13	16
Martin B	10	12			

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$19.73	$19.50	$19.67
Hogs	26.98	27.75	30.50
Copper, lb.	.27	.27	.36
Coffee lb.	.55¼	.55¼	.60¾
Sugar, raw, lb.	.0560	.0560	.0590
Hides	.14½	.14	.13½
Weekly Commodity Indices			
Dow Jones	156.30	156.84	162.61
U. S. Labor	118.7	118.5	116.7
Monthly Commodity Indices			
Canada (D.B.S.)			
Retail (Dec.)†	123.1	123.3	120.4
W'sale (Nov.)	224.0	224.8	226.6
C. F'm Pro. (Oct.)	199.7	200.7	209.5
U. S. (Oct.)	117.7	∙118.0	115.9
Gt. Brit. (Oct.)*	148.8	151.2	155.4
Do. (Oct.)∙	140.7	140.8	133.9

Note: †Cost-of-Living Index Revised to the Base of 1949=100.

Base of price quotations is as follows: Cattle-Steers, good up to 1,000 lb., to price Toronto. Copper-electrotypes, New York. Coffee No. 4 Santos. Spot Raw Sugar 96 degrees centrifugal c.i.f.

∙Revised.

Gt. Britain Index Revised. Base year 1949.

*Basic materials Index (excl. fuel) for nonfood mfg. ind.

∙All mfg. products other than fuel, food and tobacco.

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THE WEEK'S QUOTATIONS

Quotations here listed are the official, exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

Montreal and Toronto Winnipeg, Calgary and Vancouver

Bid and Ask quotes of Toronto and Montreal exchanges up to press time are published on page 44

Industrial Stocks

WEEK ENDING JANUARY 17, 1958

Range 1957-58 High	Low	Div. R'te Jan.17 $	Y'ld %	Company	Sales	Last Jan. 10	Week end. Jan. 17 High	Low	Close or Latest
1.50	.35	..	..	Abitca Lumber..	8500	.44	.45	.40	.44
35⅛	23½	1.70	6.8	Abitibi	6635	24¾	25½	24⅛	25
24¼	22	1.12½	4.9	Do. 4½% pref..	168	23	23½	23	23
9⅝	7	.50	5.6	Acadia Atlan. ..	477	9¼	9⅝	9	9
95	82	5.00	5.9	Do. 5% pref. ..	nil	..	B85	A86	85
21	17	1.20	6.1	Do. (A)	326	19⅝	20	19½	19¾
..	..	‡•	..	Admiral	nil	..	B7½	A7¾	..
8⅝	6¼	.50	5.7	Agnew Surp.	475	8	8⅞	8⅝	8¾
9⅝	8½	.55	6.3	Do. pref.	nil	..	B8¾	A8¾	8¾
1.85	1.15	..	..	Albt. Dist.	6850	1.40	1.56	1.35	1.50
1.76	1.10	..	..	Do. V.T.	3100	1.20	1.25	1.20	1.25
21.00	11.00	..	..	Albt. Gas Tr.	4551	13.38	13.75	13.00	13.75
40⅛	21¼	1.50	..	Algoma Steel	6693	23½	25	23	24⅝
50⅝	26⅛	.90	3.2	Aluminium	23582	27	29¼	26⅝	28
23⅛	20⅛	1.00	4.4	Alum of Can 1 p	40	22½	22½	22½	22½

Range 1957-58 High	Low	Div. R'te Jan.17 $	Y'ld %	Company	Sales	Last Jan. 10	Week end. Jan. 17 High	Low	Close or Latest
78	30½	•‡3.00+‡1.00	..	Chrysler Corp...	35	†56¾	†54	†52	†54
.55	.50	*.15	..	Cinzano A	nil	..	..	..	.50
85	85	5½%	..	Do. 5½% pref..	nil	..	..	..	85
2.50	1.50	..	..	Circle Bar Knit..	nil	..	B2.00	..	2.00
4⅝	4	..	•	Do. (A)	nil	..	B4	A7	†5
23¼	15	*•	..	Cochrane-Dun •	100	18	16⅞	16⅞	16⅞
17	12	.80	6.2	Do. (A)	30	12	13	13	13
9	7¼	..	..	Cockshutt Farm.	8107	8¼	8⅜	8	8
17¼	14½	1.00	6.9	Coghlin, B. J.	15	14¾	14½	14½	14½
..	..	*.75+.25	..	Coll. Terminal	nil	..	B13	A18	11½
14½	14½	*.75+.25	..	Do. pref.	nil	..	..	..	14½
13¼	9¼	.60	5.7	Comb. Enter.	925	10¼	10½	10	10½
11⅛	9	.80	8.9	Conduits Nat.	300	9¼	9	9	9
140	80	2.00	1.5	Conf. Life	861	104½	134	106	134
8	5¾	.50	7.1	Cons. Bakeries	300	7¼	7	7	7
1.00	.99	..	..	Cons. Div. Sec A	nil	..	B1.00	A1.40	.99
38	30	‡2.00	..	Do. pref.	nil	..	B28	..	†27½
7	6	‡.25	..	Cons. Fire Ins...	nil	..	B3	A5	6
..	..	..	..	Cons. Food	nil	..	..	..	16½
28¾	16¼	.80+*.20	..	C. Min. & Smelt.	11355	17⅝	19½	17½	18½
39½	24½	1.60+*.40	..	Cons. Paper	3798	29½	30¾	29¼	30⅝
4.15	2.30	..	..	Cons. Press A	nil	..	..	A5.37½	4.00
1.75	1.00	..	..	Do. (B)	nil	..	..	A3.50	1.75
2⅝	2	..	..	Cons. Textiles	nil	..	..	A3	2½
18⅜	18⅜	1.00	6.7	Do. pref.	nil	..	..	A17	†15
41	25⅛	.80	2.5	Consumers Gas.	6057	30	33	29½	31½

Range 1957-58 High	Low	Div. R'te Jan.17 $	Y'ld %	Company	Sales	Last Jan. 10	Week end. Jan. 17 High	Low	Close or Latest
8⅛	7¾	..	..	Inter. Paints A	nil	..	B7	A9	8
25	20	1.20	6.3	Do. pref.	nil	..	B18	A20	†19
104	80	•‡3.00+‡•	..	Int. Papers	377	86¼	87½	84⅛	88
88	88	•4.00	..	Do. pref.	nil	..	..	..	88
57⅞	33¾	•‡1.40	..	Int. Pete.	926	36	37½	35⅝	36½
70	20	•1.00+‡•	..	Int. Util.•	1515	23	24⅛	23¼	23¾
14	10	*.17½	..	Interp. Bld. Cr.	nil	..	B10⅛	A10⅛	10½
1.55	40	..	..	Do. B warr.	nil	..	B.46	..	.40
62	32¼	‡1.40	..	Interp. Pipe	10227	39½	41⅝	39	40⅞
42	39	*.60+1.40	..	Invest. Foundat'n	nil	..	B40	..	40
57	51½	3.00	5.8	Do. pref.	15	†51	51½	51½	51½
19	10⅛	$.40+‡•	..	Invest. Synd.•	nil	..	B12	A12⅛	12⅝
15⅛	8½	$.40+‡•	..	Do. A•	1680	10⅛	10⅝	10	10½

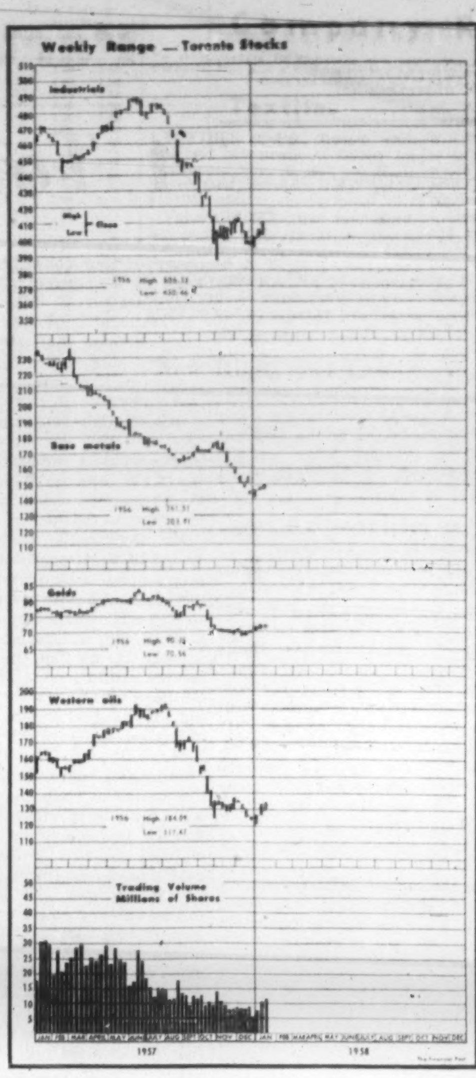
J, K, L

Range 1957-58 High	Low	Div. R'te Jan.17 $	Y'ld %	Company	Sales	Last Jan. 10	Week end. Jan. 17 High	Low	Close or Latest
24	20	1.50	6.7	Jam. Pub. Ser.	nil	..	B22½	A23	22½
105	95	7.00	7.0	Do. pref.	nil	..	..	A101	100
43	41½	‡2.00	..	Johns-Man.	nil	..	B39⅝	A39⅝	140
10⅝	10	.60	6.0	Johnson T. 6% p.	nil	..	B10	A10⅝	10
16½	14¾	.80+*.20	..	Journal Pub.	nil	..	B14	..	14¾
4.40	4.15	$.12½	..	K. Doug. & C. A	650	4.20	4.40	4.25	4.40
9⅝	5⅜	‡•	..	Kelvinator	nil	..	B6	A6⅛	5⅜
9a	75	..	..	La Comp. Fon.	nil	..	..	A65	†49
19½	17	1.20	6.4	Labatt, John	1775	18⅞	19	18⅝	18⅞
12¼	7½	..	..	Lafarge A	nil	..	..	A10	8¼

Range 1957-58 High	Low	Div. R'te Jan.17 $	Y'ld %	Company	Sales	Last Jan. 10	Week end. Jan. 17 High	Low	Close or Latest
3.00	2.25	..	..	Do. warr.	600	3.10	3.00	2.90	2.95
4.50	4.00	.24	6.0	Interior Brew. B	nil	..	B4.15	..	4.00
12½	10	*.25	..	Inter. Bronze	30	10	†14	†14	†14
23½	20	1.50	7.2	Do. pref	nil	..	B20¾	A23	20¾
83	73	•4.00	..	Int. Mill. pref.	nil	..	B67	A72	†67
111	63¾	2.60+‡1.15	..	Inter. Nickel	14640	71½	72¼	69½	70½

Where there have been no transactions during the week covered, the word "nil" is shown under sales and the quotations shown are the bid, ask, and last sale price, instead of high, low and close.

Range 1957-58 High	Low	Div. R'te Jan.17 $	Y'ld %	Company	Sales	Last Jan. 10	Week end. Jan. 17 High	Low	Close or Latest
30½	23¾	1.37½	4.9	Do. A pfd.	25	27	28	28	28
26⅞	23½	1.43¾	5.5	Do. 5¾% pf.	470	26¼	26⅝	26¼	26⅝
3.85	3.20	..	..	Do. warr.	2463	3.20	3.85	3.30	3.70
12½	10½	*.17½	..	Sangamo	1030	12	12	11⅞	11⅞
15¾	13½	$1.00	..	Sarnia Br.	nil	..	B14¾	A15	13½
7⅛	6½	.80	13.3	Scarfe & Co. A	nil	..	B6	A6¼	†6
..	..	‡•	..	Do. B	nil	..	..	..	7⅛
15¼	12½	1.00	7.4	Scythes & Co.	nil	..	B13	A14	13½
21	21	1.25	6.3	Do pref.	nil	..	B19¼	..	†20
25¾	20	.68	2.8	Shawinigan Pr. N.	3988	24¾	24¾	24	24
29½	24⅝	1.33½	4.5	Do. A new	385	29¼	29½	29½	29½
44⅝	40	2.00	4.5	Do. 4% pref. A	210	44¾	44⅛	44⅛	44⅛
49	45	2.25	4.6	Do. 4½% pf. B	25	47⅛	49	49	49
15⅛	13	*.15	..	Sheraton	nil	..	..	..	13



Range 1957-58 High	Low	Div. R'te Jan.17 $	Y'ld %	Company	Sales	Last Jan. 10	Week end. Jan. 17 High	Low	Close or Latest
41½	33	1.80+$.25	..	Sher. Wms.	25	34	34	†32¼	34
133	120	7.00	5.6	Do. pref.	45	120	125	125	125
22½	20	1.20+‡.20	..	Sicks' Brew.	167	22	22	21½	21½
22	19⅝	1.20+‡.20	..	Do. V.T.	115	21	21½	21	21½
31	28¾	.90	3.0	Sidney Roofing A	nil	..	B29¼	A31	30
19	17	1.00	5.7	Silknit	nil	..	B16½	A18½	17½
37½	36	2.00	5.4	Do. pref.	nil	..	B36	A38	37
11	9½	.60	5.7	Silverwoods A	495	10½	10½	10½	10½

Dividends

Company		Date payable	Date of record
Stand Fuel pf	.56¼	Feb. 1	Jan. 15
Stanley Brock A	.15	Feb. 1	Jan. 10
Do B	.10	Feb. 1	Jan. 10
Steel Co	40+‡.30	Feb 1	Jan 3
Steinberg's pf A	1.31	Feb. 15	Jan. 25
Tor Dom Bk	35	Feb 1	Dec. 31
Union Gas	.40	Feb 1	Jan. 3
Un Corp B	‡.35	Feb 28	Jan. 31
Un. Towns El. pf.	.14	Jan. 31	Jan. 1
Univ Products	†.40	Jan. 31	Jan. 15
Ventures Ltd	25	Jan 24	Dec. 30
Vic. & Grey Tr.	.30	Mar. 17	Feb. 14
W. Can. Brew.	.30	Mar. 3	Jan. 31
Westminster Pap. A	12½	Jan. 31	Jan. 10
Do B	17½	Jan. 31	Jan. 10
Zellers	30	Feb. 1	Jan. 2
Do 4½% pf	.56¼	Feb. 1	Jan. 2

†—U.S. funds. ‡Extra.

*—The ex-dividend date is usually at least two full business days prior to the record date.

•—Participating.

Company Meetings

Date	Company	Place
Jan 23	Int. Paints (Can.) Ltd.	Montreal
Jan. 23	So. Union Oils	Toronto
Jan 24	Crown Life Ins.	Toronto
Jan. 24	O'Brien G.M.	Montreal
Jan 25	Cons Dragon Oils	Toronto
Jan. 25	New Santiago M.	Vancouver
Jan. 27	Fibre Products of Can.	Brantford
Jan 29	Imperial Life Ass.	Toronto
Jan. 29	Kelvinator of Can.	Rexdale, Ont.
Jan. 29	Roche M.	Toronto
Jan 30	Can. Life Ass.	Toronto
Jan. 31	Can Perm. Mtge.	Toronto
Feb. 1	Scurry Rainbow Oils	Calgary
Feb. 3	Equitable Life Ins.	Waterloo, Ont.
Feb. 3	North Am. Life Ass.	Toronto
Feb. 4	Analogue Controls Inc	Mineola, N.Y.
Feb. 4	National Life Ass.	Toronto
Feb. 5	Humber Oils	Toronto
Feb. 6	Mutual Life Ass.	Waterloo
Feb. 10	Can. Cement	Montreal
Feb. 10	Mtl. City & Dist. Sav's Bk	Montreal
Feb. 12	Continental Life Ins.	Toronto
Feb 17	Br. Northwestern Ins	Toronto
Feb. 17	Cdn. Breweries	Toronto
Feb. 17	Security Nat. Ins.	Toronto
Feb. 18	Dow Brewery	Montreal
Mar. 13	Bell Tel.	Montreal
Apr. 15	Chrysler Corp.	Wayne County, Mich.

Mining Stocks

WEEK ENDED JANUARY 17

Range 1957-58 High	Low	Company & Dividend ($)	Sales	Last Jan. 10	Week Ending Jan. 17 High	Low	Close or latest
.27	.05	Westville	8500	.05	.07	.06⅛	.07
2.90	.60	Willroy	5800	.77	.83	.75	.80
1.84	.27	Do. warr.	800	.40	.40	.40	.40
.37	.10	Wiltsey C.	162000	.21	.22	.18½	.21
.11	.04½	Winchester	1500	.05½	.05½	.05½	.05½
.43	.10½	Windfall	34050	.12½	.18	.12½	.16
.05¼	.02	Wpg. R. Tin	8000	.02½	.03	.03	.03
1.70	1.15	Wright-Har.	4805	1.29	1.33	1.28	1.32
Y, Z							
.37	.07	Yale Ld.	10000	.14	.14	.10½	.10½
.13	.05	Yellorex	nil	...	B.05½	A.06½	.05½
1.93	.62	Y'ke Bear	24290	.81	.82	.75	.77
.10½	.03	Yukeno	7008	.04	.04	.03½	.04
.89	.49	Yukon C. ‡.06	4800	.55	.56	.54	.55
.40	.14½	Zenmac	7000	.20	.19	.18	.18
.75	.14	Zulapa	4000	.17	.20	.17	.20

Oil Stocks

Range 1957-58 High	Low	Company & Dividend ($)	Sales	Last Jan. 10	Week Ending Jan. 17 High	Low	Close or latest
.23	.13	Acme 01	nil	...	B.14	A.16	.16
.93	.44	Ajax	600	.47	.46	.46	.46
.10½	.02½	Albedena	nil	...	B.03	A.05	.03
.66	.27	Alta. P. Con.	600	.35	.38	.37	.38
.20	.03¼	Aldina	1000	.05	.04	.04	.04
.68	.48	Allied Roxana	20825	.55	.58	.55	.56
.35	.13	Altex	100	.18	.15	.15	.15
.06	.02	Amalta	nil	...	B.02½	....	.02
.70	.12	Amer. Leduc	135904	.22	.27	.20	.25
6.25	2.81	Amurex	nil	...	B2.32	....	2.85
4.75	1.12	Anaconda	1420	1.20	1.50	1.20	1.20
.28	.10	Anchor	19600	.14½	.15	.13½	.14½
16.87½	7.25	Anglo-Am.	525	10.12½	10.25	9.70	9.70
.14	.03½	Apex	29000	.04	.05	.04½	.04½
B							
20.75	6.50	Bailey-Sel. A	12255	8.10	8.70	7.80	8.45
41.00	21.00	Do. 5% pf. 1.25	180	22.62½	24.12½	22.50	24.12½
28.25	19.00	Do. 5¾% pf. 1.43¾	1635	21.50	21.50	21.00	21.50
3.80	1.50	Banff	5430	1.75	1.80	1.60	1.75
.15	.04½	Barons	10500	.05	.06	.05½	.06
.54	.25	Basco	27000	.35	.42	.36	.40
.15½	.10	Bashaw	2000	.11¼	.12	.12	.12
.12½	.05	Bata	1000	.07	.07	.07	.07
.30	.09	Blue Crown	4100	.09	.10	.09½	†.09½
.48	.10	Bonnyville	3000	.14	.15	.14	.15
1.10	.70	Bralsaman	nil	...	B.75	A.84	.78
3.60	1.20	Britalta	7907	1.55	1.60	1.50	1.55
C							
3.20	.30	Cabanga	nil	...	B.35	A.55	.35
1.55	.35	Calalta	14275	.65	.65	.60	.60
36.50	17.00	Calg. & Ed. .10	1615	20.25	21.00	19.62½	20.25
5.50	4.00	Calvan	nil	...	B4.00	A4.25	4.00
Canada							
4.50	1.72	Can. Oil Lds	4925	1.85	2.00	1.85	1.92
2.80	.75	Do. warr.	3500	.82	1.10	.90	.90
Canadian							
10.12½	3.80	Cdn. Atlantic	12650	4.35	4.80	4.25	4.55
.78	.34	Cdn. Br. E.	4100	.43	.45	.41	.45
3.00	.46	Cdn. Chieft'n	15900	1.07	1.12	1.04	1.10
1.70	.10½	Cdn. Dec. warr.	5000	.18	.18	.13	.18
9.40	3.80	Cdn. Dev.	21970	5.55	5.70	5.50	5.60
9.50	3.20	Cdn. Ex. G.	1760	4.15	4.20	3.80	3.90
.27	.02½	Cdn. Fortune	nil	...	.04	.05½	.03½
1.35	.35	Cdn. High-C	2950	.45	.51	.42	.49½
3.10	1.50	Cdn. H'stead	7307	1.89	2.00	1.80	1.85
23.00	10.00	Cdn. Husky	3860	10.87½	12.00	11.00	11.25
16.25	4.00	Do. warr.	1725	5.05	5.40	5.00	5.40

Range 1957-58 High	Low	Company & Dividend ($)	Sales	Last Jan. 10	Week Ending Jan. 17 High	Low	Close or latest
.04	.01¼	N. Cont.	10000	.01½	.01½	.01½	.01½
.84	.15	Northland	13340	.25	.30	.26	.28
.54	.10	Nuco	19000	.13½	.14	.13¼	.13¼
O, P							
2.90	1.13	Okalta	6200	1.30	1.30	1.23	1.30
37.00	16.12½	Pac. Pete.	20239	18.50	20.50	18.12½	19.62½
....	....	Pan Israel	nil	...	....	....	2.65
.75	.20	Pan West.	2900	.23½	.26	.26	.26
6.00	3.75	Parker Dr ‡.50	1105	3.75	4.00	3.75	4.00
2.90	.36	Peace River.	12200	.40	.40	.37	.38
3.90	1.58	Permo pf.	25333	1.90	2.05	1.85	1.85
2.25	.45	Peruvian	5500	.75	.78	.70	.75
1.50	.35	Petrol	22300	.52	.60	.50	.60
1.85	.56	Phillips	6100	.80	.85	.75	.80
.77	.20	Ponder	4700	.27	.28	.25	.28
5.90	2.25	Prairie	nil	...	B2.40	A2.75	2.35
4.25	1.70	Provo	46360	2.52	2.73	2.50	2.67
Q, R							
.20	.04	Que. Oil D.	2500	.05½	.06	.05½	.05½
.31	.08	Quonto	2750	.11	.11	.10	.11
.40	.25	Ranchman's O.	700	†.20	.25	.25	.25
.06	.01	Realty	52500	.01½	.01⅞	.01½	.01¾
.23	.05	Reef Explor.	4500	.07	.10	.07½	.07½
.07½	.02¼	Renfrew	nil	...	B.02½	A.03½	.02¼
2.50	.75	Richwell	9912	1.15	1.32	1.20	1.32
.11	.01½	Ridgeway	7000	.02	.02¼	.02	.02
1.00	.19	Rocky Pet.	142783	.21	.23	.21	.22
1.00	.16	Royal Can. V.	2400	.25	.22	.20	.20
23.25	12.37½	Royalite .26	3355	12.75	14.25	12.75	13.75
38.00	22.50	Do. 5¼% pf. 1.31¼	50	24.75	27.00	27.00	27.00
S							
1.05	.08½	Sage	4500	.65	.66	.66	.66
1.82	.45	Sapphire	12600	.69	.70	.66	.69
80.00	25.00	Do. 5% debs.	nil	...	B33.00	A35.00	34.87½
.70	.02	Sastex	600	.05	.06	.04	.06
3.97	1.49	Scurry Rain.	17150	2.03	2.19	2.00	2.10
8.75	3.60	Security	5310	4.35	4.65	4.35	4.40
.25	.05	Select Oils	4500	.05½	.06	.06	.06
.16	.05	Share Oils	4500	.05	.06½	.06	.06
.19	.06	Silver City	3000	.07	.08	.08	.08
.30	.10	Souris Val.	1500	.11	.10½	.10	.10
1.10	.50	So. W. Pete.	nil	...	....	..	.80
.60	.12	So. Union	15000	.20	.19	.15	.17
.30	.11	Sparmac	1000	.16	.16	.15	.16
.78	.16	Spooner	16379	.18	.19½	.18	.19½
1.75	.60	Stanwell	40800	.81	.87	.80	.85
.15½	.08	Sturgeon	nil	...	B.08	....	.10
T, U, V							
.93	.33	Texas Cal.	3650	.37½	.40	.37½	.40
8.25	.94	Titan	13600	1.20	1.25	1.10	1.25
3.35	1.53	Trans Emp.	5300	1.78	1.81	1.70	1.78
.70	.11	Do. rts.	3833	.19	.17½	.16½	.16½
.07	.02	Transfield	3500	.03¼	.03⅛	.03	.03⅛
9.00	3.50	Triad	10545	4.75	5.15	4.70	4.90
.13½	.05¼	Tri-Zone	nil	...	B.05	A.07	.07
.40	.25	Turner V.	900	†.22	.25	.25	.25
4.40	1.73	United Oils	26445	2.47	2.65	2.45	2.50
.38	.16	Vanalta	4000	†.15	.18	.17	.18
.23	.05	Vandoo	8300	.06	.06	.05½	.06
2.79	.90	Van Tor	27120	1.30	1.40	1.25	1.35
.83	.35	Vulcan	2500	.53	.55	.53	.53
W, Y							
.81	.05	Wayne	9000	.09½	.12	.09½	.12
.53	.10	Wespac	30000	.18	.21	.18	.20
1.05	.55	W'burne	11700	.76	.80	.71	.71
3.00	1.35	W. Decalta	5575	1.55	1.60	1.50	1.54
1.35	.28	Do. B warr.	2900	.37	.38	.35	.37
6.50	4.25	W. L'holds	500	4.25	4.30	4.25	4.25
2.70	1.12	W. Maygill	12980	1.68	1.85	1.65	1.85
3.90	.70	W. Naco	8525	1.47	1.50	1.35	1.35
.14	.05½	W. Warner	27000	.11¾	.13½	.10½	.10½
.16	.05	Y'ke Can.	2000	.07	.07	.07	.07
.09½	.03	York Oils	17000	.08	.09¼	.07	.08

•U. S. funds. ••Initial. †Less than board lot. ‡When shown nil the figures are bid, asked and latest sale. §Paid in 1957. ‡Extra paid in 1957. •Dividend deferred. *Payable in 1958 to date.

Company Report

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Textiles

SCYTHES & CO., Toronto, consolidated net profit of $79,390 for year ended Nov. 30, 1957, was 28.5% lower than previous fiscal year's $110,965.

Volume of sales was maintained, and in some departments increased, but dollar value decreased, says President J. A. Scythes. Costs rose.

In July 1956 the U.S. government announced an export subsidy program on cotton effective from May on basis of 6.58c per lb. (this has varied monthly only slightly and is still in effect). It included in this program four items of spinnable waste at 90% subsidy of the announced monthly cotton price. This resulted in these higher priced wastes being imported into Canada and replacing for many uses the lower grades of wastes available from Canadian mill sources. These latter grades company has been obliged to sell in the U.S. market at sacrificed prices including discount on U.S. dollar company says.

Capital expenditures were $24,763.

The financial statements of Montreal Cotton & Wool Waste Ltd., Montreal, and Otto Homuth Sons Ltd., Preston, wholly owned subsidiaries, are incorporated with those of parent company.

CONSOLIDATED INCOME ACCOUNT

Years Ended Nov. 30:	1957	1956
Net earnings	$172,366	$233,749
Less: Deprec.	45,476	40,034
Tax prov.	47,500	82,750
Net profit	79,390	110,965
Less: Pref. div.	13,382	13,701
Com. div.	50,000	50,000
Surplus for year	16,008	47,264
Earnings per Share and Dividend Record:		
Preferred	$7.42	$10.36
Paid	1.25	1.25
Common	1.32	1.95
Paid	1.00	1.00
Shs. o/s at Nov. 30:		
Preferred	10,700	10,700
Common	50,000	50,000

CONDENSED CONS. BALANCE SHEET

As at Nov. 30:	1957	1956
Cash	$35,271	$33,230
Accts., etc., rec.•	490,679	550,630
Life ins., c.s.v.	143,549	140,607
Investments	50,419	50,884
Inventories	907,816	937,842
Total curr. assets	1,719,734	1,762,194
Misc. assets	22,145	24,829
Fixed assets*	492,255	502,061
Total assets	2,234,134	2,289,084
Due bank	131,110	87,000
Accts. & tax pay.	238,306	353,072
Divds pay.	15,844	15,847
Total curr. liab.	385,260	456,018
S.f. res. pfd. sh.	12,260	2,710
Capital stock	370,000	370,250
Capital surplus	226,067	225,817
Earned surplus	1,240,547	1,234,289
*After depr. of	755,451	720,882
•After res. of	11,172	10,902
Working capital	1,334,474	1,306,176

New Highs and Lows

During the week ended January 17, 12 new highs and 14 new lows were recorded among the general stocks on Canadian stock exchanges. In the mining group there were five new highs and 11 new lows. In western oils there was one new low and no new highs.

GENERAL

New Highs — 1957-58

Agnew Surp.	N. Star s/p w57
D. Fdry 4½% pf	Sal-Shir-H. 5½ pf
Gypsum Lime	Do warr.
Imp. Tob.	Shawin. Pr. A N
Loblaw Comp. pr	Do 4½% pf B
Lowneys	Trans-Can. P L

New Lows — 1957-58

C. Fairbanks	Hendershop Pap.
C Hydrocarbons	London Hose A
Cr. Trust	Price Bros.
Donald Ropes B	P. L. Robertson
Eddy Match	Russell Indust.
Freiman pref.	Southam
Gurney Prod. pr	Vir. Dare 5% pr

MINING

New Highs — 1957-58

Cdn. Thorium	Int. Ceramic
Cominga	N. M'l'que
Grandroy	

New Lows — 1957-58

Arcadia	East. Asb.
Do warr.	Marpic
Buffalo R Lake	Mining Corp.
Canuba	Quatsino
Cons. Regcourt	Stanleigh
Dickstone Cop.	

OILS

New Lows — 1957-58

Silver City

Advances and Declines

Week Ended	Ups	Downs	No Change	Ups	Downs	No Change
Dec. 13	255	496	160	56	180	113
Dec. 20	176	454	136	51	178	108
Dec. 27	212	323	180	58	117	100
Jan. 3	419	186	173	91	95	107
Jan. 10	454	203	120	175	75	103
Jan. 17	398	223	150	162	74	107

J. E. GRASETT & CO.

MEMBERS THE TORONTO STOCK EXCHANGE

EMpire 8-4781

244 Bay Street — — Toronto

2881 Dundas St. W. — RO. 9-1167

(at Mavety Street)

"in continuous change"

Investment is a difficult art because of the circumstances surrounding it. The field of operations is moving—in continuous change; market action is directed not so much to the known past as to an unknown future. Security, income and capital gain can best be obtained by careful selection, diversification and constant supervision.

Perhaps we could be of help to you . . .

— Enquiries Invited —

KIPPEN & COMPANY INC.

Established 1922

Investments

MONTREAL

607 St. James Street West Telephone: UN 6-2463

J. BRADLEY STREIT & COMPANY

LIMITED

MEMBERS:

The Toronto Stock Exchange

Canadian Stock Exchange

Calgary Stock Exchange

Winnipeg Grain Exchange

80 Richmond St. W. EMpire 3-7477

TORONTO, ONTARIO

Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Financial

LAMBTON LOAN AND INVESTMENT CO., Sarnia, Ontario, net profit of $97,930 for 1957 was practically unchanged from 1956's $98,020.

It was necessary to provide for income taxes at rates 2% greater than in 1956 due to re-entry of the Province of Ontario into direct imposition of income tax, say President J. A. Smith and General Manager G. C. Norsworthy.

The new office in Wallaceburg was opened in May. Last year $9,000 was set aside to provide for preliminary expenses of Wallaceburg office, but as all operating expenses of the new office were absorbed in 1957 expense accounts, the $9,000 was restored to profit and loss account.

Annal meeting is Jan. 29.

	1957	1956
Liabs. to public, etc.*	$6,871,294	$6,347,426
Shareholders' equity	1,828,741	1,784,990
*Secured by:		
Mtges & sls. agree.	6,263,210	6,028,294
Office premises	201,952	164,458
Liquid assets•	2,234,873	1,939,664
Total assets	8,700,035	8,132,416
•Includes bonds and stocks, and Lambton Trust Co. stk	330,770	330,770
Net profit	97,930	98,020
Earned per share	$6.20	$6.21
Paid	4.00	4.00

TIMED INVESTMENT FUND LTD., Toronto, net profit of $68,928 for year ended Sept. 30, 1957, was 3.3% higher than previous fiscal year's $66,734.

The trend in the stock market was down, but bonds have shown marked strength recently, says President A. A. Walker.

Company increased its common stock holdings and decreased its bonds and preferred stocks.

Company's shares are now an eligible investment for estates, trusts, pension funds and insurance companies.

INCOME ACCOUNT

Years Ended Sept. 30:	1957	1956
Total income	$75,016	$69,662
Net profit	68,928	66,734
Less: Divds. paid	70,083	65,312
Surplus for period	•1,155	1,422
•Deficit.		
Earnings per Share*	0.22	$0.20
Paid	0.22	0.20
*Based on number of shares outstanding as calculated from dividends paid.		
Shs. o/s at Sept. 30:		
Special	314,238	323,139
Ordinary	755	755

CONDENSED BALANCE SHEET

As at Sept. 30:	1957	1956
Cash	$35,441	$14,352
Accts. rec., accr. int. & divs.	11,874	11,447
Invests at cost†	1,490,590	1,550,748
Organ. exps. less w/o	755	755
Total assets	1,538,660	1,577,302
Accts., etc., pay.	28,405	3,659
Deferred liab	7,523	1,356
Capital stock	314,993	323,894
Capital surplus	1,185,088	1,244,587
Earned surplus	2,651	3,806
†Market value	1,406,201	1,603,263
Net assets per sh.	4.52	5.02

DOMINION STEEL & COAL CORP. during December issued 2,255 ordinary shares on conversion of debentures due May 15, 1970, and 1,900 ordinary shares on conversion of debentures due Aug. 15, 1961, raising number of ordinary shares outstanding to 2,938,714.

Bond Redemptions

Bond Issues	Rate	Year	Date	Cal. pr.
§Home Oil Co. Ltd. Conv. S.F. debs.	5¾%	'71	Feb. 28	•$100.00

§—$305,000. •—Plus interest

Starting the New Year Right . . .

The results you achieve from your investments in 1958 will, to an important extent, be determined by the decisions you make now.

There is, of course, no infallible road to investment success. But many of the uncertainties can be removed, with the help of experienced investment guidance.

A good way to begin this new year is to obtain a copy of our January Monthly Bulletin. It contains helpful "rules" for investors and reviews the Canadian Banks.

This Bulletin is available without obligation at any of our offices, or just complete and return the accompanying coupon.

NAME

ADDRESS

Ross, Knowles & Co. Ltd.

25 ADELAIDE STREET WEST, TORONTO

EMpire 8-1701

Hamilton Brantford Windsor Sarnia Sudbury Niagara Falls Brampton

Market Bid and Ask Quotations

Jan. 21, 1958

Montreal & Toronto

	Bid	Ask		Bid	Ask
Abitibi	25¾	25⅞	xAkaitc	33	35
Do p	23½	..	xAlbs	6½	7
Ac-Atl	9	9½	xAlta D	155	160
Do A	20	20	Do vt	125	140
Do p	85	85	xAP Con	26	30
xAcad U	6½	7	xAll Rox	55	56
xAcme	14	15	Algom	13⅛	13⅞
Adml.	7⅛	7½	Do vt	14	19
xAdvoc	250	265	Do deb	95	95½
Ag-S	8¼	8⅞	Do w	490	500
Do p	8¼	9½	Algma	24⅞	24⅞
xAghico	38	50	Alumi	28⅛	28⅞
xAjax	46	54	Alu 1p	23	..

	Bid	Ask		Bid	Ask
Do 2p	47	48	xAunor	203	206
xA-Lar	11	13	Aut El	14	15
xA Rare	48	52	Do A	9	11
xAm L	33	34	xAu F A	275	350
xA Nep	80	85	Do B	110	125
xAmur	225	..	xAvilla	6½	7
xAnac	50	54	xBly SA	890	900
xAnalog	215	245	Do p	24	..
xAnch	13½	14	Do 5½%	21	21⅞
xAng-Am	10½	11⅞	xBanff	160	..
A Plp p	49	50	xBnkno	16	18½
Ang-C Tl	38½	..	xBnkfld	7	9½
xAng Hi	885	950	Bk Mtl	41¼	41⅞
xAng R	32	40	Bk NS	51½	52
xAnsl	13	14	xBrclna	405	500
Anthes	21	22	xBarnat	22½	25
xApex	4½	5½	xBarvu	16	17
xArcad	19	20	xBary E	52	54
Do w	13½	16	xBase M	25	26
xArcan	25	40	xBaska	15	16
xArea	57	58	xBata	7	7½
Argus	15½	16	Ba In	8	8½
Do 240p	43½	43⅞	Bath A	41½	42
Do 250p	41½	42½	Do B	18	20½
xArjon	8	9	xB-Duq	25	26
Ash A	10	..	xBeatty	390	400
Do B	11½	13	xBeauc	62	70
xAsh T	200	300	xBeav L	12	14
Do B	8½	8½	B Lum	17½	18
Asamera	198	207	Do A	16½	17
A Art	8½	8⅞	Do pr	24⅞	27
Do d	94½	96	xBelch	139	140
Do wt	380	400	Bell	40½	40⅞
Atl A	5¼	5¼	xBellet	130	145
Do p	14	18½	xBthlm	56	62
Atlas S	16¼	16¼	xBeven	12	13
xAt Yk	5½	8	xBibis	6	7
xAt-Ruf	19½	20	xBicrft	113	117
xAubel	7	7½	Do w	40	48
xAumac	14½	16	xBidcop	10	13
xAumaq	9	9½			

[illegible]

DIVIDEND NOTICES

INTERPROVINCIAL BUILDING CREDITS, LTD.

COMMON DIVIDEND NO. 22

NOTICE is hereby given that an interim dividend of .17½c per share has been declared on the Common Shares of the Company in respect of the quarterly period ending February 28, 1958, payable on February 28, 1958, to shareholders of record at the close of business on February 14, 1958.

By Order of the Board.

M. B. DIX,
General Manager.

LOWER ST. LAWRENCE POWER COMPANY

HEAD OFFICE, RIMOUSKI, P.Q., CANADA

DIVIDEND NOTICE

A quarterly dividend of 22½c per share on the 4½% Cumulative Sinking Fund Redeemable Preferred Shares has been declared, payable February 1, 1958, to shareholders of record at the close of business, on January 17, 1958.

By order of the Board.

P. E. GAGNON,
Secretary.

RIMOUSKI, Que.,
January 14, 1958.

CANADIAN BREWERIES LIMITED

NOTICE OF DIVIDENDS

Notice is hereby given that the board of directors has declared the following dividends payable April 1, 1958, to shareholders of record at the close of business on February 28, 1958.

1. A quarterly dividend of 31¼ cents per share on the outstanding $1.25 Cumulative Convertible Preference Shares with a par value of $25 each in the capital of the Company.

2. A quarterly dividend of 37½ cents per share on the outstanding common shares without par value in the capital of the Company.

By Order of the Board.

W. E. DREWRY,
Secretary.

January 14, 1958.

CANADA PERMANENT MORTGAGE CORPORATION

Notice is hereby given that a dividend of Ninety Cents per share on the paid-up Capital Stock of the Corporation for the current quarter and an extra dividend of Ten Cents per share have been declared and that both dividends will be payable Tuesday, the 1st day of April next, to shareholders of record at the close of business on the 14th day of March, 1958.

By Order of the Board.

GEO. D. LAVEROCK,
Secretary.

Toronto, January 15th, 1958.

dupuis

DUPUIS FRERES, LIMITEE

DIVIDEND NOTICE

At the last meeting of the Board, the Directors of Dupuis Frères, Limitée have declared the following dividends for the quarterly period ending January 31st, 1958.

CUMULATIVE REDEEMABLE PREFERRED SHARES OF THE PAR VALUE OF $25.00 EACH—A dividend of $0.30 per share, payable February 15th, 1958, to shareholders of record at the close of business on January 31st, 1958.

CLASS "A" SHARES WITHOUT NOMINAL OR PAR VALUE—A dividend of $0.14 per share, payable February 15th, 1958, to shareholders of record at the close of business on January 31st, 1958.

For payment of the foregoing dividend, holders of Bearer Share Warrants representing Class "A" Shares without nominal or par value of the Company should present coupon No. 11 attached to their said warrants on or after February 15th, 1958, at any branch in Canada of The Royal Bank of Canada, The Provincial Bank of Canada or the National Canadian Bank.

JEAN MARC LALONDE,
Treasurer.

January 15th, 1958.

DIVIDEND NOTICES

McINTYRE PORCUPINE MINES LIMITED

DIVIDEND NO. 176

Notice is hereby given that a dividend of fifty cents (50c) per share in Canadian currency will be paid on March 3rd, 1958, to shareholders of record at the close of business February 3rd, 1958.

By Order of the Board.

F. T. McKINNEY,
Secretary.

Dated at Toronto, January 15th, 1958.

INVESTORS MUTUAL OF CANADA LTD.

DIVIDEND NOTICE

Notice is hereby given that a dividend of 8 cents per share has been declared on the outstanding Capital Stock of the Company payable on February 14th, 1958, to shareholders of record at the close of business on January 31st, 1958.

E. G. O. HOWARD,
Secretary.

Winnipeg,
January 9th, 1958.

McCOLL-FRONTENAC OIL COMPANY LIMITED

"COMMON STOCK DIVIDEND NO. 76"

NOTICE IS HEREBY GIVEN that a Dividend of 40 cents per share has been declared on the no par value Common stock of McColl-Frontenac Oil Company Limited for the quarter ended December 31, 1957, payable February 28, 1958, to shareholders on record at the close of business on January 31, 1958.

By Order of the Board.

C. A. BENGOUGH,
Assistant Secretary.

ALUMINIUM LIMITED

DIVIDEND NOTICE

On January 15th, 1958, a quarterly dividend of twenty-two and one-half cents per share in U.S. currency was declared on the no par value shares of this Company, payable March 5th, 1958 to shareholders of record at the close of business February 4th, 1958.

Montreal
January 15, 1958

JAMES A. DULLEA
Secretary.

SIMPSONS, LIMITED

COMMON SHARES

Dividend Notice

NOTICE is hereby given that a Dividend of twelve and one-half cents (12½c.) per share on the outstanding Common Shares of the Company has been declared payable March 15, 1958 to shareholders of record as at the close of business on February 14, 1958.

The transfer books will not be closed.

By order of the Board.

Frank Hay,
Secretary and Treasurer

Toronto, January 17, 1958.

NOTICES

UNITED OILS, LIMITED

NOTICE TO REGISTER SHARES

NOTICE is hereby given that United Oils, Limited intends to offer to its shareholders who are of record at the close of business on January 24, 1958, the right to subscribe for additional shares in the Company at a price to be set by the directors shortly after such date.

Owners of shares who have not had their shares registered in their names are urged to do so in order that they will receive the warrant evidencing "Rights" to subscribe for additional shares. Shares to be registered should be sent to any of the offices of the Crown Trust Company, the registrar and transfer agent in the Cities of Calgary, Toronto or Vancouver.

NOTICE OF CLOSING OF REGISTER OF TRANSFERS AND BRANCH REGISTERS

NOTICE is hereby given that the Company's register of transfers maintained at the office of the Crown Trust Company in the City of Calgary and the Company's branch registers of transfers maintained at the offices of the Crown Trust Company in the Cities of Toronto and Vancouver will be closed from and after the close of business on the 24th day of January, 1958, up to and including the 6th day of February, 1958.

DATED at Calgary, Alberta, this 7th day of January, 1958.

BY ORDER OF THE BOARD.

J. W. HAMILTON,
Assistant Secretary.

	Bid	Ask		Bid	Ask
W C Br	30	30½	Wdfall	15½	17
xW Dec	153	160	W Cent	8⅞	9
xDo w	37	38	xW Alx	335	375
W G A	32	32	GH W p	92½	99
Do p	25	25½	Wood A	30½	31½
xW Lse	425	..	Wood P	86	87½
xW Nac	140	142	Wdrd A	11½	12½
W Ply B	10½	11	xWl Cb	6	6½
Wstn A	21½	22	xWr H	127	130
Do B	22	22½	xYale	13½	14
Do 4½	90	92	xYan C	7	7½
Do w 6	105	105½	xYellor	6½	7½
Do A w	625	725	xYk B	75	78
Wh 1 p	..	20	xYKn A	160	200
Wh Pass	6⅞	7½	xDo B	14	60
xWlroy	78	82	xYukeno	4½	5½
xDo w	41	45	Zeller 4½%	42	44
xWiltsey	18½	19	xZenmc	18½	20
xWinch	6	7	xZulapa	15	19

x—Quoted in cents.

Toronto Curb

Andian	400	500	Do p	14½	15
A C	31	34⅞	DOC	30½	30⅞
Ang-N	5½	5⅞	Dupont	18½	19
Asbest	29	29½	Do p	77	78
B A B	28	..	Gaspe	18	18½
xBulolo	350	365	Hayes	21	21
CD Sug	21	21½	I Pap	88⅞	90½
C Ving	20⅞	21	I Util	24⅞	25½
C Brnze	25	26	Lang P	39½	45
Do p	..	95	Lob I	75	88
C Cott	..	10	M Lrn	61½	65
Do p	350	400	MO Pap	23½	24½
CG Inv	25½	25½	Ogilv	26½	26½
C Ind	16½	17¼	Do p	125	165
CIL p	77	85	xPato	280	295
C Ing	43	55	xPend O	186	190
xC Marc	215	225	Price	37¼	37½
C West	43	46	Sngmo	10½	10⅞
xCst C	180	500	xSW P	76	85
C Pap	30½	31¼	Th CG I	475	5⅞
xDalh	15	17	Twin C	9½	..
de Hav	141	250	xYuk C	54	55
D Glass	61¼	62	Zellrs	26½	27

x—Quoted in cents.

Canadian Stock Exchange

Beaubran	25⅞	26⅞	Wdsor Htl	20	25
Beld Cort	6	9	Wood Mfg	41	..
Do p	9	..	**MINES—Cents**		
Belg Stor	450	459	Alta	5	8
Do p	12	..	Ameranm	5	..
Bfly Hos	175	300	Arno	3½	4
C In Inv p	78⅞	80	Band-Ore	5	..
Cdn Pr & P	5	6	Barvallee	5½	6½
C Silk A	210	300	Beatrice	4½	5½
Catelli B	39	44	Bellechase	42	46
Con Text	..	17	Belle-Chib	6	8
Crain RL	28	30	Bouzan	50	..
Dav & Fr	43	45	Burnt Hill	17	19
Dom Eng	18	20	Calumet U	4	5½
E Koot p	105	110	Cdn Lithm	20	23
For Pr S	300	400	Duvan	16½	17
Horner A	10½	12	E Smelt	73	82
Htl La Sal	40	..	Fab Met	10	12
Hub Fit	300	..	Fontana	4½	5
Do A	..	22	Gui-Por Ur	5	7
Hydro Elec	8	..	Hcrest Col	70	..
I Paints A	7½	9	Iso Uran	27	29
Do p	18	20	Jardun	4	4½
Inv Found	40	..	Kontiki Ld	7½	8
Do p	51	..	Lingside C	4½	5½
Lambert A	8½	9½	Mogador	10	15
Do B	12½	14½	N Formaq	8½	9
Latonia I	14⅞	15⅞	N Pacific	..	85
Lond Can	5⅞	7	N S'tiago	5	5½
Mclaren P	61½	65	N Vinray	4	5
Melch Dis	8	9	Nocana	5	6
Do p	14¼	14⅞	Obalski	7	8
Mtl Refrig	39½	45	Orchan Ur	17½	19
Mt Roy R	12	14	Pitt	4½	5
Nfld L&P	45	..	Por Prime	6½	7
Paton Mfg	10	12	Que Smelt	20	21
Do p 7%	..	22½	R Crest	5½	6
Paul S St	..	9⅞	Tache Lk	12½	13
Pr Crp 1st	45	..	Tazin	20	22
Do 2nd	65	..	Tiblemont	8	11
Que-Tel	19	19½	Trebor	10	12
R&M Bear	..	17⅞	Valor Lith	9½	10
Reitman's	12	16	Virg Min	18	20
Renold Ch	15	..	Wendell	3½	4
Sangamo	10	11⅞	Westville	8	8½
So Can p	120½	124	**OILS—Cents**		
Tooke Bro	..	55	Bonn'lle	14	15½
Do p	..	110	Emp Oil	10	11
Un Amu A	8	..	Gaspe	7	8
Do B	7	10	Gateway	2	6
Do vt A	8	9½	Phillips	75	85
Un Dist	..	18	Que Oil	5½	6
Waterman	5⅞	6½	Wburne	66	72
Wilson JC	8	9			

Calgary Oils

Quoted in cents

Albedena	2	3	Ldmstr D	20	40
Aldina-L	4	5	Mill Cr	62	70
Amalta	3	5	Mollusca	47	100
Anaconda	120	128	Monarch	4	5½
Barons	5½	5½	Ranchm's	25	28
Basco	40	43	N Richfld	4	4½
Bashaw L	10½	12	North Cont	1½	2
Blue Cr	11	11½	Nuco Pet	13	13½
Cdn Ftune	4½	..	Reality	1⅞	1⅞
Castle	15	15½	Renfrew P	2½	3½
Century	6	6½	Ridgway P	1⅞	2¼
Claybar U	10½	14	Royal Cdn Vent	22	..
Command	..	90	Sage	67	70
Dom Minls	3	3½	Sastex	6	8
E Can Gas	10	15	Select	6	7½
Edoran	7	8	Share	5½	6½
Freehold	1⅞	2½	Silver City	7½	10
Gold Sat	11	..	Sturgeon P	8½	9
Gold Spike	4½	4½	Transfld P	3½	4½
Hargal	2	2½	Tri-Zone	5½	7
Henderson	7½	9	Turner V	24	27
Jump Pd	25	..	Vanalta	17	30
Kenare P	5	6	W Warner	11	11½
Keno	10	..	York	8	9
Leamac P	6	7½			
Leduc Cal	9½	10			

Municipal Bonds

Jan. 21, 1958.

Calgary	3½	'69	84¼	86¼	5.10
Edmonton	3½	'69	84	86	5.10
Halifax	3½	'68	88½	90½	4.90
Hamilton	3	'67	86	88	4.58
Montreal	3	'70	80	82½	4.85
Moose Jaw	3½	'69	94	95½	5.20
Ottawa	3¼	'68	88½	90½	4.44
Regina	3	'64	85¾	87¾	5.10
Saint John	3½	'65	88½	90½	5.03
Toronto	3	'68	85¼	87¼	4.50
Vancouver	3¾	'69	87	89	5.04
Victoria	3¾	'68	87	89	5.09
Windsor	2¾	'75	69	71	5.25
Windsor	3½	'75	77¾	79¾	5.25
Windsor	2½	'75	66¼	68¼	5.25
Winnipeg	3	'69	82¼	84¼	4.75

Corporation Bonds

(Supplied by Investment Dealers' Assn. of Canada)

Jan. 21, 1958.

Public Utility Issues:	Int. Rate %	Due	Bid	Ask	Prev. Week Bid
Alg. Cen. H.B.R.	5	'59	140	142	140
Bell Telephone	3	'72	100	101	101
Bowater Pr. Co.	3½	'80	82½	84	82
Brazilian Traction L. & P.	4½	'79	80	...	80
B. C. Electric	3¼	'67	87	88	87
Do.	3½	'80	82½	...	81
Do.	5½	'77	101½	102½	102
B. C. Telephone	5	'82	99	100	99½
Calgary Power	3½	'72	80	...	80
Can-Met	5½	'62	83	85½	82
Consumers Gas	5½	'77	102	...	103
Gatineau Pr. D	3½	'70	84	86	83
Gt. Lakes Pwr.	5½	'77	104	...	104
Maclaren-Quebec Power	3	'69	86	...	86
Mex. Lt. & Pr.	5	'75	76	80	75
Nat. Lt. & Pwr.	4½	'61	96	97	96
North. Que. Pr.	4½	'67	90½	...	90
*Northspan	5½	'63	86	88	86
Power Corp.	5½	'77	99½	101	99
Que. Nat. Gas	5½	'85	124	126	128
Que. Telephone	6	'77	104	...	103
St. Maurice Pr.	3½	'70	85	...	84
Shaw. W. & P.	4½	'76	99	99⅞	98
Tr. Can. P. L.	5.85	'87	136	139	132
W'coast T. deb.	5½	'88	89	89½	87
Industrial Issues					
Abitibi Pr. P.	6½	'77	105½	106½	105½
Do.	4	'74	86	88	87
Acadia-Atlantic Sugar	4	'74	84	86	85
Alum. Co. of C.	4½	'73	96½	97½	93½
Bathurst P. & P.	5½	'73	96½	...	98
*Bicroft Ur.	5	'62	87	89	85½
Br. Am. Oil	5½	'77	102	...	101½
Can. Bread	4½	'67	83	85	84
Can. Cement	5½	'76	101½	...	101
Can. Steamship	4	'68	92	...	91½
Cdn. Breweries	4½	'81	88	89	88
Cdn. Canners	3½	'70	85	...	83
Cdn. Celanese	3	'62	88	91	89
Cdn. Chem. Co.	5½	'71	90½	92	89
Cdn. Industries (1954) Ltd.	3½	'74	84	...	84
*Can. Oil	4	'76	88½	89½	88
CPR	3½	'72	87	...	84
Cockshutt	4½	'65	85	...	84½
Columbia Cell.	5	'68	88	91	89
*Cons. Denison	5	'62	94½	95½	93½
*Cree Oil	5	'66	101	105	102
Dom. Fd. & Stl.	4½	'69	94	...	93½
Dom. Stores	5½	'76	101½	...	101
Dom. Tar & Ch.	5	'69	97	100	97
Dryden Paper	4½	'74	90	...	90
T. Eaton Acc.	4½	'74	97	99	96
T. Eaton Realty	5½	'76	100½	102½	100
E. B. Eddy	4	'74	85	88	85½
Elk Falls Co.	5	'75	90	...	89
Gen. Mot. Acc.	4½	'69	95	98	96
Gt. Lakes Paper	5	'76	92	95	94
*Gunnar Mines	5	'60	100	100½	99½
H. Bay O. & G.	4	'75	88½	...	88
*Husky Oil	5	'69	84	87	86
Imp. Tobacco	3	'70	83	85	83
Imperial Oil	3	'69	88	...	87½
Indust. Accept.	6	'77	101	102	103½
Loblaw Groc.	4½	'76	110	112	110
Do.	6	'77	112	114	115
*Lorado Uran.	6	'62	83	85	80
Maple L. M.	3½	'63	88	...	88
Massey-Harris	4½	'76	85	86	85
Ont. Jockey Cl.	5½	'72	85	87	85
Petrofina	5½-7½	'77	104	...	104
Phillips Elec.	5	'73	93	...	91
Price Bros.	3½	'66	87	...	86
Pronto Uranium	5	'60	96½	97½	96
Regent Refining	4½	'75	85	88	86½
St. Law. Corp.	5	'72	99½	100½	99
Simpsons Ltd.	4½	'73	97	99	96½
Simpsons-Sears	4½	'79	90	93	91
Steel Co.	2½	'67	82	85	85
Traders Finance	4½	'71	85	87	88
Union Accept.	5½	'68	87	90	89
Un. Gr. Grow.	3½	'70	80	83	83
Weston, Geo.	4½	'71	97	98	96½

*With warrants.

CONVERTIBLE ISSUES

Abitibi P. & P.	4½	'66	95	98	95
Atlas Steels Ltd.	5	'67	99	...	99
Braz. Traction	4½	'71	75	78	75
CPR	3½	'66	88	89	87½
Do.	4	'69	91	92	91
Cockshutt Farm	5	'68	86	...	86
Home Oil	5½	'71	106	...	107
Do.	5	'71	117	119	114
Jupiter Oils	5	'67	80	85	80
Shaw. W. & P.	5½	'72	108½	109½	108½
Westcoast T.	5½	'88	109½	110½	108½
Loblaw Groc.	4½	'76	110	112	110
N. Concord D.	5½	'65	88	...	88
N. Sup. Oils	5	'64	80	85	80
Phillips Elec.	5½	'70	92	...	94
Scurry Oils	5	'64	80	85	80
Silverw'd Dair.	5½	'72	94	98	96
Triad Oils	4½	'71	85	87	85

Investment Trusts

	Divd. pd. cents ▲	Bid	Ask
All-Can. Com. Fd.	(25.74)	5.63	6.12
All-Can. Div. Fd.	(22+2)	4.87	5.29
Can. Invest. Fund	(38)	7.82	8.58
Canafund	(125)	30.36	31.88
Champion Mut. Fund	(20)	4.52	4.97
C'wealth Inter.	12(33)	6.40	7.03
Corporate Inv.	(36.5)	7.74	8.12
Diversified Inc. Shs.	(12.2)	2.95	3.25
Dom. Equity I.	(36+12)	12.65	12.91
Grouped Inc. (n.)	(15.75)	3.20	3.50
Growth Mines		3.53	3.71
Growth Oil & Gas		7.08	7.43
Investor's Mut.	(32)	9.15	9.89
Leverage Fund	22(22)	4.36	5.09
Mut. Acc. F.	(23.01)	5.87	6.42
Mutual Income	5.65(25.71)	4.35	4.75
Regent Fund Ltd.		4.63	5.09
Resources of Canada		6.15	...
Sav. & Inv. Mutual	(8)	4.71	5.15
Sup'vised Amer.	(14)	5.84	5.90
Sup'vised Executive (1955)		31.18	...
Sup'vised Executive (1956)		25.61	...
Sup'vised Executive (1957)		4.38	4.63
Sup'vised Gr'th Fund	(3)	1.54	1.56
Sup'vised Inc. Fund	(19)	3.54	3.58
Timed Invest.	(22)	†4.70	*4.70
Trans-Can. A	(105.2)	23.85	...
Do B	(115.6)	23.90	...
Do C	(22.6)	4.75	5.15

†Less or (*) plus stock exchange commission.
▲Paid or payable in 1958 total paid in 1957 in parentheses.
‡Of which .05 pd. in form of tax-free stk. divd. redeemed for cash immediately.

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Jan. 21, 1958.

%	Due	Bid	Asked
Govt. of Can. Bonds:			
3	Jan. 1959	99	99½
3	June 1960	97½	98
3	Feb. 1962	96½	96⅞
3	Oct. 1963	94⅞	95½
3	Sept. 1966	93½	94¼
3	Perpetual	†83	85
2¾	June 1968	91	90
3¾	Jan. 1975/78	96½	98
3¼	June 1974/76	90⅞	92½
Cdn. Nat. Railways:			
3	Jan. 1959	98⅞	99½
2¾	Jan. 1967	91	92½
3	Jan. 1966	93	94
2¾	Sept. 1969	90	91½
Grand Trunk Pacific Rlwy.:			
3	Jan. 1962	■97	99
4	Jan. 1962	■100	102
Int. Bank of Reconstruct. & Development			
3½	Apr. 1965	91	93
3½	June 1969	88½	91
C'wealth of Australia:			
4	Nov. 1970	91	93

%	Due	Bid	Asked
Prov. Govt. Bonds			
Alberta:			
2¾	Mar. 1970	♦89	92
British Columbia:			
4½	Jan. 1969	♦102	105
3	Dec. 1960	95½	97
3	June 1964	91	93
5	Sept. 1959	♦100	101½
B. C. Power Comm.:			
3	Oct. 1967	88½	90½
Manitoba:			
5	Dec. 1959	■100	101½
5½	July 1958	100	100⅞
3	Oct. 1965	91	93
Nova Scotia:			
4½	Nov. 1960	♦98	100
5	Mar. 1960	♦99½	101½
3½	June 1963/65	91½	93
3	June 1956/58	99	100
2¾	June 1965/68	84½	86½
New Brunswick:			
4½	Apr. 1961	♦98	100
2¾	June 1966	86	88
3½	Sept. 1965	91½	93½
5	Mar. 1970/75	102	103½

%	Due	Bid	Asked
Ontario:			
2¾	Nov. 1965/69	87	90
4	June 1962	■97½	99½
4½	Jan. 1962	♦99	101
2¾	July 1967/76	85	87
3	Nov. 1963/65	91⅞	93½
5	May 1959	■100½	101½
4	June 1969/72	95½	97½
Ont. Hydro Comm.:			
2¾	Oct. 1965/68	87½	89½
3	Dec. 1963/65	91½	92⅞
3	Nov. 1967/69	88½	90½
3½	May 1974/79	89	91
5	Apr. 1974/77	104½	105½
Prince Edward Island:			
3	Oct. 1965	88	90
Quebec:			
4½	Aug. 1958	99½	100½
4½	Jan. 1963	101	101½
3	Sept. 1962/64	92	93½
Quebec Hydro Commission:			
3	Feb. 1969/73	85	87
3	Dec. 1958/60	96	97
3½	May 1971/74	87½	89½
4½	Oct. 1973/76	97	99
Saskatchewan:			
5	Aug. 1958	99⅞	100⅞
4½	Mar. 1960	♦99	100½
3	Mar. 1963	92½	94
3½	Nov. 1960/62	93	95
3¾	Oct. 1962/65	94	96
5	Dec. 1959	100	101½
Newfoundland:			
4½	July 1964	97½	99

■Payable Can., N.Y. or £. ♦Payable can. or N.Y. †Callable on or after Sept. 15, 1966.

Grain Prices

Winnipeg Futures

Week to Jan. 20, 1958

Crop year from Aug. 1, 1957 High	Low		High for week	Low for week	Close Jan. 20
		Oats—			
.71½	.66½	May	.69½	.68⅞	.68⅞
.68⅞	.65	July	.68½	.67⅞	.68
.68⅞	.65	Oct.	.68½	.67⅞	.67⅞
		Barley—			
.95⅞	.89½	May	.91	.90½	.90⅞
.93⅞	.88⅞	July	.90⅞	.89½	.89½
.90⅞	.89½	Oct.	.90½	.89½	.89½
		Rye—			
1.24⅞	.98½	May	1.04⅞	1.02½	1.03
1.15⅞	.98	July	1.02½	1.00⅞	1.01⅞
1.02⅞	1.00⅞	Oct.	1.02⅞	1.00⅞	1.02⅞
		Flax—			
3.43⅞	2.66	May	3.28½	3.21½	3.23
3.34	2.87	July	3.21½	3.14	3.16
3.00	2.88½	Oct.	2.94⅞	2.88½	2.90

Winnipeg Cash

	For Week Jan. 20 High	Low	Prev. Week High	Low
Oats—				
2 C. W.	.75⅞	.75⅞	.76½	.75
3 C. W.	.68⅞	.68½	.69½	.68
Barley—				
1 Feed	.88	.86⅞	.89	.87⅞
2 Feed	.86	.84⅞	.87	.85⅞
1 Malt	1.05	1.04⅞	1.05	1.04⅞
Rye—				
1 C. W.	.99½	.98½	1.00½	.98½
2 C. W.	.99½	.98½	1.00½	.98½

Chicago Futures

Week to Jan. 20, 1958

Crop year from Aug. 1, 1957 High	Low		High for week	Low for week	Close Jan. 20
		Wheat—			
2.28⅞	2.15⅞	Mar.	2.19½	2.15⅞	2.18½
2.24	2.08⅞	May	2.13½	2.10½	2.12½
2.07⅞	1.83⅞	July	1.88	1.85½	1.87⅞
2.02⅞	1.86½	Sept.	1.90½	1.88⅞	1.90½
1.95⅞	1.92½	Dec.	1.94⅞	1.92½	1.94½
		Corn—			
1.38⅞	1.11½	Mar.	1.13	1.11½	1.11⅞
1.36	1.14⅞	May	1.16½	1.14⅞	1.14⅞
1.38	1.18½	July	1.19⅞	1.18½	1.18½
1.29½	1.18	Sept.	1.19⅞	1.18	1.18½
1.18⅞	1.13	Dec.	1.14⅞	1.13	1.13½
		Oats—			
.72½	.62½	Mar.	.65½	.63⅞	.63⅞
.72½	.59	May	.61½	.60⅞	.60⅞
.68	.56⅞	July	.57½	.56⅞	.56⅞
.63½	.57⅞	Sept.	.58⅞	.57⅞	.57⅞
		Rye—			
1.45½	1.20⅞	Mar.	1.29½	1.26	1.27⅞
1.45½	1.21½	May	1.24½	1.21½	1.23⅞
1.35	1.10	July	1.13⅞	1.10½	1.12
1.25½	1.12	Sept.	1.15½	1.13	1.15½
		Soybean—			
		Jan.	2.25	2.22	2.24½
		Mar.	2.28⅞	2.25⅞	2.27⅞
		May	2.32½	2.29½	2.31½
		July	2.32	2.29	2.31⅞
		Sept.	2.18	2.15½	2.17½

Chicago Cash

	For Week Jan. 20 High	Low	Prev. Week High	Low
Corn—				
2 Yell.	1.14½	1.12	1.17	1.13½
Oats—				
H. W.	.76	.74½	.71	.71

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 10	Pulp and paper 9	Milling 7	Oils 8	Textiles and clothing 8	Food and allied prod. 16	Beverages 10	Bldg. mater. 13	Power and traction 8	Banks 7	Total utilities 13	Total co's 98
*1935 to date:												
High	947.3	1233.1	252.0	285.5	410.5	211.0	630.0	638.0	267.1	304.7	219.8	297.8
Low	69.7	31.8	61.2	78.4	78.4	79.5	79.3	66.7	60.3	90.0	62.3	61.1
1957 Monthly Figures:												
Jan.	763.0	1005.3	147.8	251.6	169.7	181.3	506.3	463.2	227.9	309.9	207.5	273.7
Feb.	756.6	948.4	141.4	244.8	154.7	181.4	488.8	433.4	228.9	271.3	203.6	263.2
Mar.	790.4	968.4	134.8	249.2	152.5	182.6	485.9	436.0	239.0	266.2	209.2	267.5
Apr.	825.6	987.0	138.2	262.9	153.4	197.6	490.8	452.5	243.8	277.5	212.5	278.8
May	868.0	996.4	155.0	278.8	157.2	204.7	516.0	470.9	251.9	279.0	216.1	287.8
June	882.7	998.9	141.9	283.6	161.8	208.2	514.6	482.4	264.6	281.8	216.8	286.9
July	932.2	991.9	137.5	274.2	162.5	204.5	500.2	483.4	262.0	277.8	213.8	284.7
Aug.	803.9	915.8	135.8	245.9	160.3	195.8	465.9	458.3	237.8	260.2	200.6	258.0
Sept.	728.5	861.3	128.4	225.5	155.1	189.6	466.9	424.0	219.4	252.2	191.2	242.2
Oct.	641.7	813.4	118.7	195.7	145.8	183.8	459.7	384.0	195.9	234.8	176.7	219.6
Nov.	600.3	792.7	122.4	195.6	144.0	188.8	473.1	377.6	201.3	240.5	176.2	218.6
1957-58 Weekly Figures:												
Dec. 5	607.5	836.0	122.5	203.2	151.8	202.3	500.1	379.8	202.1	240.1	177.0	223.3
Dec. 12	595.4	813.7	116.8	198.5	152.6	198.7	480.1	370.1	197.7	233.7	174.2	217.1
Dec. 19	573.9	794.3	121.9	190.2	150.9	198.2	473.9	365.9	197.0	233.9	171.9	212.2
Dec. 26	574.8	788.3	121.9	187.8	150.1	198.7	476.8	378.0	196.6	231.9	172.4	212.1
Jan. 2	580.4	790.0	122.8	187.7	148.5	200.9	476.3	378.2	199.4	229.0	172.0	212.5
Jan. 9	581.2	781.5	120.8	187.2	151.7	206.8	487.3	383.4	203.7	232.2	177.6	214.8
Jan. 16	577.1	790.7	120.6	189.9	147.9	207.8	491.3	386.4	205.2	233.0	180.4	216.7

*High and low for year from 1935 to date inclusive are based on weekly figures used by the Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	15 B.M.	15 W.O.
Jan. 20	408.15	71.99	148.01	133.80
Jan. 17	405.38	71.80	148.03	132.94
Jan. 16	407.79	72.09	148.63	133.75
Jan. 15	405.83	71.62	148.30	133.24
Jan. 14	404.00	71.28	147.28	130.33
Month Ago	397.54	68.18	145.14	126.29
Year Ago	465.19	76.95	221.56	161.70
1957-58 High	490.42	83.72	232.21	193.96
1957-58 Low	386.06	68.15	141.95	121.61

Montreal Stock Exchange Index

	10 Util	20 Indus	30 Com	10 Pprs	18 Golds
Jan. 20	133.1	232.5	199.4	1052.00	65.02
Jan. 17	132.6	229.6	197.2	1044.18	65.01
Jan. 16	134.4	230.8	198.7	1048.26	65.71
Jan. 15	133.7	229.5	197.6	1021.16	63.54
Jan. 14	132.6	228.3	196.4	1021.57	65.29
Mon. Ago	131.0	227.0	195.0	1042.36	63.12
Year Ago	138.9	294.5	242.7	1368.17	73.73
57-58 High	155.4	300.0	249.4	1435.36	91.06
57-58 Low	124.2	220.0	186.0	947.66	60.88

Dow-Jones Closing Stock Averages

	30 Indus	20 Rails	15 Util	65 Stocks
Jan. 20	447.92	106.87	71.64	152.11
Jan. 17	444.12	107.10	71.38	151.41
Jan. 16	445.23	104.13	71.36	150.82
Jan. 15	445.20	103.01	71.36	150.51
Jan. 14	451.80	101.96	70.88	149.31
Month Ago	428.08	96.00	67.93	143.80
Year Ago	475.90	149.45	69.37	168.76
1957-58 High	520.77	157.67	74.61	179.87
1957-58 Low	419.79	95.67	62.10	142.48

Volume of Stock Sales

	Montreal	Toronto	Calgary	Vancouver	New York
Jan. 20	475,900	4,648,000	76,575	84,898	2,970,000
Jan. 17	835,500	2,969,000	44,257	58,888	2,780,000
Jan. 16	491,700	2,555,000	60,835	96,386	3,030,000
Jan. 15	486,800	2,177,000	35,585	86,592	2,620,000
Jan. 14	325,400	2,211,000	76,495	80,693	2,490,000

Unlisted Stocks

(Compiled by Intercity Securities Corporation Limited, Toronto)

Jan. 20, 1958.

	Bid	Ask
Alberta Gas A	13.25	14.00
Algoma C.&H.B. Rly. com.	22.00	23.00
Do. pfd.	1.00	....
Allens Toronto units	42.00	....
Anglo Can Telephone A	27.00	28.00
Bowes Ltd. 1% pfd.	.75	....
Brinton Peterboro Carpet	37.00	40.00
British America Assce.	82.00	90.00
B. C. Sugar	29.50	31.00
B. C. Telephone 4½% pfd.	82.00	86.00
Do. 5¾% pfd.	100.00	101.00
British Mtge. & Trust	224.00	230.00
British Nfld. Corp. (Brinco)	4.00	4.50
Calgary Power 4½% pfd.	83.00	....
Can. Admiral Corp.	....	25.00
Can. Canners B	8.00	....
Can. Corp. Management	5.75	6.50
Can. Crushed Stone 6% pfd.	92.00	....
Can. Delhi Pete.	7.00	7.35
Can. & Foreign Secs.	9.75	....
Cawthra Apts.	44.00	....
Chase, Dr. A. W. com.	1.60	2.00
Colonial Steamships com.	225.00	....
Commercial Finance	50.00	52.00
Commercial Life 20% pd.	32.00	....
Concourse Bldg. units	75.00	....
Do. v.t.	59.00	....
Crown Life Insurance	98.00	103.00
Debenture & Secs. 5% pfd.	75.00	....
Detroit Internat. Bridge	15.00	17.00
Dom. Can. Gen. Insce.	45.00	52.00
Dom. Linseed Oil units	3.50	6.00
Dover Industries	9.25	9.75
Eastern Trust Co.	25.00	27.00
Essex Packers com.	1.50	2.25
Do. pfd.	25.00	33.00
Excelsior Life	125.00	130.00
Goderich Elevator	21.50	22.50
Granite Club	14.25	15.00
Gt. Britain & Can. Inv. com.	11.50	13.00
Do. pfd.	102.00	....
Gt.-West Life	197.00	208.00
Guar. N. Amer. fully pd.	300.00	325.00
Do. 20% pd.	85.00	90.00
Halifax Insurance	10.25	....
Halton & Peel Trust	9.50	10.25
Homewood Sanitarium	85.00	90.00
Hudson's Bay Co.	19.50	20.50
Humber Amusement Pier	.30	....
Humberstone Shoe	9.00	12.00
Industrial Mtge. & Trust	74.00	79.00
Ingersoll Machine 4% pfd.	87.00	....
Ingersoll Machine & Tool B	5.00	6.00
Ingram & Bell com.	3.75	4.75
Jenkins Bros.	60.00	64.00
Lambton Loan Sarnia	74.00	78.00
Loblaw warr	5.00	6.00
London Can. Inv $3 pfd	42.50	45.00
Do. A	36.00	40.00
London Life Insurance	110.00	130.00
Lord Simcoe Hotel A	1.70	2.00
Manufacturers Life	208.00	214.00
Maritime Life	118.00	....
Monarch Life 50% paid	280.00	300.00
Morrow Screw & Nut com.	37.00	40.00
National Life 30% paid	275.00	....
National Sewerpipe units	11.50	13.50
Niagara Lower Arch Bridge	48.00	53.00
Nor. Ont. Gas Share	10.50	11.25
Nor. Tel pfd	18.75	19.75
Oakville Wood 6% pfd.	75.00	....
Paramount Oshawa Thea.	12.50	....
Park Lawn Cemetery	1.75	2.25
Pembroke Electric Light	32.00	....
Phillips Electrical	11.00	11.75
Prairie Royalty Trusts	1.50	....
Prudential Trust	21.00	24.00
Rapid Grip & Batten 6% p.	80.00	....
Reliance Pete. A & B	25.00	....
Do. pfd.	39.00	43.00
Robin Jones Whitman pfd.	22.50	....
Royal Oak B	3.75	....
Sincennes McNaughton Line	3.00	....
Skyway Drive-In Theatres	1.65	1.95
Sovereign Life 25% Paid	100.00	110.00
Standard Fuel common	3.00	5.00
Do. $2.25 div.	34.00	36.00
Sun Life Assurance	243.00	253.00
Supercrete Ltd.	4.00	4.75
Teleflex Ltd.	9.50	....
Thorncliffe Park	4.75	5.50
Toronto & London Invests.	2.20	2.70
Toronto Medical Arts Bldg.	59.00	....
Transportation Bldg.	9.00	....
Triarch Corp.	112.00	115.00
United Can. Shares	9.00	10.00
Waterloo Manufacturing	6.75	7.75
Waterloo Trust	29.00	31.00
Westcoast Transmission	26.75	27.75
Western Assurance	59.00	65.00
Wood Alexander 6% pfd.	83.00	88.00

Bond Tenders

12 Noon, Jan. 23, 1958, Government of Canada Treasury Bills — Payable Apr. 25, 1958 $115,000,000. Dated Jan. 24, 1958.

5 p.m., Jan. 29, 1958, City of Sydney, N.S. — 5% 1-20 year debentures, $500,000. Dated Feb. 1, 1958.

ANNOUNCEMENT

HEGGIE ADVERTISING APPOINTS BROOKER TO CREATIVE POST

President Jack Heggie announces the appointment of Victor Brooker as Director of Creative Services for Heggie Advertising Company Limited, Toronto. The new position has been created to broaden the scope of client service in the merchandising of both industrial and consumer product fields. Mr. Brooker joins the Heggie organization from J. Walter Thompson with many years experience in creative, promotional and agency work in the most competitive marketing areas.

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POTASH DEVELOPMENT at Patience Lake, 17 miles east of Saskatoon. Potash Co. of America already has sunk the shaft to 2,600 ft.

Saskatchewan's Potash In Production in '58?

From Our Own Correspondent

SASKATOON — Saskatchewan's fast-developing potash industry will reach production stage before the end of the year.

First breakthrough into production of the valuable mineral will occur when **Potash Co. of America** starts limited output at its property near Saskatoon.

Sinking of a 3,300 ft. production shaft will be finished in June, reports G. F. Coope, president of the major U.S. producers.

Construction of facilities needed on surface and installation of equipment will be completed in November.

Total cost of the project: About $20 million.

"Then," Coope says, "we will go into limited production while machinery is being tested."

"The Saskatoon area represents the most favorable site in Canada for potash development and it can look forward to a dominant position in the industry," he adds.

"When we're in full production, we'll handle about 4,000 tons of ore daily," he adds.

Some 200 men will be needed to operate the plant once things are in full swing.

Construction Work

A mild winter has meant that much construction work at the site can be carried out.

Work is well advanced on four huge circular storage bins for the finished product. Steel has been erected for the main concentrator plant.

Two buildings of concrete block designed to house electrical equipment have been completed.

Resident manager of the Potash Co. of America is T. L. Carey.

The operation he directs is not going to be the only one of its kind in the Saskatoon area, apparently.

An announcement has been made that **United States Borax & Chemical Co.** is considering sinking a shaft and building a production plant.

It would be another $20 million venture, according to mining observers.

No comment on the report has come from the project engineer in Saskatchewan for the company, Henry H. Bruhn. He says the firm would have to make the official statement.

"Our firm," he said, "has drilled in 17 locations in Saskatchewan in our search for potash. And the company was one of the first major ones to explore for potash in the province."

The Saskatoon area is not the only one where a potash firm has decided a large investment is worthwhile.

At Esterhazy, 150 miles northeast of Regina, **International Minerals & Chemicals Corp.** is undertaking development of an area, and its operation is said to involve an expenditure of some $20 million.

Last August, the firm said it will "construct the most modern and efficient potash mine in the world," at Esterhazy.

Louis Ware, company president, said the mine shaft will go down 3,000 ft. and the work should be completed some time in 1960.

"Despite a present good supply of potash in the world," he added, "I am optimistic about future demand as there should be a good market in the U.S. and possibly in the Orient."

"As farm lands become depleted of their plant nutrients, more potash will be needed to restore them," he said.

About 90% of potash production is used in fertilizers, and the remainder is used in industrial chemicals.

Besides development work going on in the Esterhazy and Saskatoon areas, some work on sinking a shaft has been undertaken at Unity in western Saskatchewan.

However, the firm involved, **Continental Potash Co.,** ran short of cash and had to suspend operations some time ago.

There has been no announcement on a possible time for resumption of efforts.

Despite the apparent failure of this venture, Saskatchewan continues to attract men and money in the search for potash.

Winsal of Canada Ltd., a subidiary of **Castrop-Rauxel** of West Germany, has purchased two parcels of potash subsurface withdrawals located in the Melville and Yorkton districts.

One parcel, of 96,640 acres cost $5,000 and the other, 28,480 acres, sold for $2,000.

Other firms carrying out exploration make for over-all activity that creates enthusiasm in provincial government circles.

Premier T. C. Douglas, for example, has predicted that the growth of the potash industry will have a tremendous effect on Saskatchewan's economy.

ANNOUNCEMENT

PEACE RIVER GLASS
EXECUTIVE APPOINTMENT

GERRARD G. DUCLOS

W. H. W. Schuller, President is pleased to announce the appointment of Gerrard G. Duclos as Comptroller. P.R.G.Co. manufacture Glass Pipe Wrap, Glass Pipe Covering, Glass Roofing materials and are associated with Regina Glass Fibre Ltd., England, Glaswerke Schuller G.M.B.H., Germany, and American Glass Fibers Inc., In the United States.

What should you bet on:

INFLATION and a new bull market, or DEFLATION and a continuing bear move?

A lot of people are deciding the answer to this one by reading their papers and asking their banks or brokers.

And a lot of people — and banks and brokers — went right down the drain the last time this point became so hotly contested in the year 1930.

Some people say inflation is now a built-in factor — which means you don't dare bet on deflation. But they said that 300 years ago when wheat sold for more than it did in the 1930's.

Some people say that you can't make money in a deflationary trend anyway, because gold is all you can buy and the Russians are working on a way to make gold out of lead. But the old alchemy gimmick has been used to shake out the gold market at the start of every deflationary period in history.

But take a look at U.S. Smelting — once the biggest per-share gold producer in the U.S., and capable of being so again. Why was this stock suddenly shaken out from $65 to $25, while attempts were underway to bolster most other New York issues? And why, then, did an aggressive accumulation program commence apace with the accumulation move in giant Homestake?

You aren't hearing about these stocks because your money is wanted for the new flotations in AT&T and Royal Dutch. Nor have you been hearing about bottoming-out Canadian golds like Kerr Addison, Lamaque, Broulan Reef and Macassa. What you get instead is inflation talk designed to prompt you to sell issues like these to people who want them while you buy the stocks the big syndicates of insiders are happy to be rid of.

The Cronenberg Reports go into these matters with a fine-tooth comb and a microscope. Historically, economically, politically, technically and from the standpoint of factual fundamentals, we paint a continuing picture you can grasp and act upon with confidence — and with profitable results.

In this matter of confidence, consider what we did in this space last week — saying in black and white that we were selling Consolidated Denison short at $12. The stock was still selling at $12 the day of publication — but from its high, for that move — 12⅛ — it promptly lost $1.75 a share. That's a trading profit — and Cronenberg clients are taught to take them when they appear.

Maybe you should send $5 to Test Cronenberg's Methods for an eight-week trial period. You'll receive eight weekly Canadian advisory reports plus four twice-monthly basic-trend analyses.

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MINING INVESTMENTS

Quebec Gold Play Busier

MONTREAL (Staff) — The Chaudiere River gold rush is picking up speed (**FP**, Jan. 18).

Latest count is 1,400 claims registered covering some 13,000 acres, up from the 100 filed by early last week.

Quebec government reported at mid-week the claims were still coming in at a brisk rate.

It looks like M. J. Boylen, of Toronto, through his **Boylen Engineering,** is the major figure in the area.

He has, **FP** understands, some 2,000 acres of his own staked and registered. In addition Marius Bucher of Beauceville, has 1,800 acres and S. Bulduc, also of Beauceville, has 10,000 acres in the area. So far, Boylen interests are noncommital on their activities in the area.

It is believed Boylen has come to an agreement to buy all, or at least substantial parts, of both men's interests.

No other major mining interests have yet filed claims, but Quebec mining circles still buzzed with reports that major Ontario interests were in the area staking on their own account and offering to buy out others.

The area is one of the oldest mining districts in Canada's history. Recovery of placer gold was carried on intermittently between 1847 and 1912.

While history of operations is incomplete and official production records in early decades were practically non-existent, estimates indicate a total of between $2 million and $3 million in gold may have been recovered in very minor operations.

This estimate may be low. Many of the operations were conducted by private individuals who paid no royalty and from whom no official returns of production were received.

Most extensive known deposits are in the counties of Beauce and Compton with lesser occurrences in Sherbrooke, Richmond and Wolfe. Occurrences have been in the area of the St. Francis-Massawippe Valley, and the vicinity of the Chaudiere River and in districts between.

This entire district is about 100 miles long in a northeasterly direction and nearly 50 miles wide. It lies south of Quebec City.

The regions that have been most worked are the Chaudiere Valley in Beauce County and the vicinity of Ditton River in Compton.

Both have been officially credited with considerable production, the greater amount of which came from tributaries of the Chaudiere.

Most important of these are the Gilbert River which was first worked and gave the largest output; Meule Creek; Des Plantes River; and Du Loup River, which with several tributaries rises in the higher land near the International boundary.

* * *

Empire To Close Iron Ore Mine

Empire Development Co., which recently started shipments of iron ore concentrates to Japan (**FP**, Oct. 12), is closing down because of severe weather with some doubts about re-opening in the spring.

James A. Scott, president, says re-opening is governed by the directors re-appraisal of unforeseen production costs, particularly the new B.C. iron ore tax.

The company, owned by **Quatsino Copper** and **Mannix Ltd.,** spent $5 million on its Vancouver Island property. It has a contract to supply 1,380,000 tons of iron over a three-year period to seven Japanese steel mills.

Extremely heavy snowfalls and severe weather are the immediate causes of suspension of operations. But with the contentious B.C. tax on ore reserves (to be tested in the courts), expected to add some 64c a ton to mining costs, the company will consider carefully April re-opening plans.

* * *

Nickel Corp. Outlines Deposit

Extensive pit sampling of a specific area has proven 8 million tons of ore averaging 1.24% nickel to a depth of 35 ft., Edward G. White, president of **Nickel Corp. of America,** reports.

Nickel Corp. now is 75% controlled by **New Delhi Mines.** The extensive sampling was on the Eight Dollar Mountain deposit in Josephine County, Oregon.

Churn drilling and sampling from pits on the three deposits held by Nickel Corp., indicate a potential of 34,666,666 net tons after removal of boulders and low-grade material, says a report prepared by Lionel R. Simard, consulting geologist. This is calculated to a depth of 35 ft. Over-all potential before beneficiating of the open-pit material is indicated at 52 million tons.

* * *

Drilling Nears Crucial Level

A deep hole near the boundaries of **Consolidated Callinan** and **Thorncrest Explorations** in the central part of the Blind River uranium basin is nearing the decisive stage.

If a bed of pebble conglomerates containing uranium ore is intersected, it is expected to be found at a depth of about 4,300 feet. The drill has already reached a depth of approximately 4,150 feet. The hole should be completed by the end of the month.

* * *

Tinto Holdings Buys Rio Shares

Tinto Holdings has agreed to buy all the shares of **Rio Tinto Mining Co. of Canada** being sold under a rights offering, except for those subscribed for by Rio Tinto shareholders.

It will ensure Rio Tinto a minimum of $12 million with which to purchase 6½% debentures of **Northspan Uranium Mines.** No more than $8.5 million is to be used to buy the Northspan debentures.

Price of the shares being offered is $1.50 each with shareholders having the right to buy one share for each five held.

Bralorne Gold Output Jumps 40%

Bralorne Mines recovered 89,115 oz. gold in 1957, an increase of 40% over 1956 recovery of 63,642 oz.

The company milled 141,192 dry tons in 1957 as against 131,662 the year before.

Recovery in the 4th quarter of 1957 was 21,103 oz. compared with 15,142 oz. in the same 1956 period.

Stope preparations continued on the levels off the Queen shaft, Managing Director M. M. O'Brien reports.

The 34th level station was completed in the Queen shaft and the shaft sunk 54 ft. below the station at year end, he says.

Drifting is being continued from the 3185 crosscut which intersected the 85 vein just before the end of the year.

Although too narrow to make ore at this point, the vein had values with some visible gold present, he says.

Drifting both east and west continues on 3377 level but waste in the centre of the vein has lowered the grade to date in comparison with ore on the 32nd level, he reports.

See Silver Price Stable World Use Rises 6% in '57

Look for a pattern of price stability in silver.

That's the outlook, as seen by **Handy & Harman** in the U.S., but it hinges on no change being made in U.S. silver policies.

Under present conditions, amount of U.S. silver needed by the market will be limited, the company says in its annual year-end review.

The market in 1957 continued to be dominated by U.S. silver laws and the treasury's policy under these laws, the review says.

World silver consumption in the year is estimated at 289 million oz., up about 6% from the previous year.

Total production amounted to 222.7 million oz., almost unchanged from 1956. Canadian production slipped to 24.2 million oz. from 27.7 million in 1956.

Consumption of silver in the U.S. at 95 million oz. in 1957 was down 5% from the 1956 rate, according to the review.

Declines Blamed

Moderate declines in the amounts used in both the arts and industrial categories caused the drop. Industrial uses continued to account for well over half the U.S. silver consumption.

In the arts, most of the drop resulted from reduced output of silver plated ware, with sterling holding up to 1956 levels.

Number of applications of silver and silver alloys in the industrial field continued to increase, but the decline in consumer durable goods affected silver metal consumption in 1957, Handy & Harman says.

The review says significance of the stepped-up defense program cannot be evaluated yet.

But there are new and growing uses of silver in the missile field and in other advanced weapons.

Silver imports into the U.S. reached 198.4 million oz. in 1957, a new post-war high, caused chiefly by the return of lend-lease silver which accounted for 138.3 million oz. Canadian sales to the U.S. are estimated at 17.7 million oz., down from 20 million in 1956.

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ANNOUNCEMENT

H. L. MUIR

J. E. PATTERSON

P. C. McCABE

Mr. R. C. Hill, President of Canadian Pad & Paper Company Limited has announced at a recent shareholders' meeting held in Toronto, the following appointments:

Mr. H. L. Muir is appointed Vice-President and General Manager of Canadian Pad & Paper Company Limited. Mr. Muir was formerly Vice-President and Director of Sales.

Mr. J. E. Patterson is appointed Vice-President and Director of Sales of Canadian Pad & Paper Company Limited and its subsidiaries Bouvier Envelopes Limited and Eaton Crane & Pike Co. of Canada Ltd. Mr. Patterson was previously Sales Manager for Bouvier Envelopes.

Mr. Paul C. McCabe is appointed Sales Manager of Bouvier Envelopes Limited. Mr. McCabe was formerly Sales Manager for International Envelope Co. of Montreal.

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ANNOUNCEMENT

D. M. TYERMAN

Expand Services

Directs Public Relations Staff

Extension of services by O'Brien Advertising Limited in line with plans announced last month by M. J. O'Brien, agency president, places D. M. Tyerman in charge of Public Relations for both eastern and western divisions. In making the announcement, Mr. O'Brien stated that Canadian businessmen are demanding a completely integrated type of service in which Public Relations must play a dominant role. Mr. Tyerman's responsibility will be to staff and direct Public Relations services in all the company's offices.

Mr. Tyerman, a vice-president of the agency, joined the O'Brien organization in 1944. Prior to that he had been with the Vancouver Province for twelve years, and had been Director of Public Relations for Boeing of Canada.

A member of the eight-man Agency Plans Board, he has handled many O'Brien accounts, and brings to his new position wide experience in agency administration.

MANAGEMENT AWARD

Certificates of management excellence have been awarded by the American Institute of Management, New York, to **Noranda Mines Ltd., Hinde & Dauch Paper Co. of Canada,** and **T. Eaton Co.**

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Here's Mine Probing Picture

Mine-finders are still active on a broad front along Canada's mineral-rich Pre-Cambrian belt.

Major interests—able to finance exploration on the basis of long-range planning — are pushing along at a brisk pace.

Several smaller companies, with enough cash for initial programs, are also in the picture.

Some of the more active areas to watch:

—Northeastern Saskatchewan, scene of active staking over past two years, now has several prospects singled out for drilling.

—Along the Chaudiere River in Quebec where placer gold is whipping up interest.

—The Mattagami Lake area of Quebec is pinpointed for another round of major work both this winter and in the spring, with several groups in the play.

—Northern Manitoba, activity in various areas including the Thompson-Moak Lake and Herb Lake districts.

—Scattered prospects in northern and northwestern Ontario are attracting attention.

Several major interests have been working properties in the Mattagami Lake area, although field activity has slackened off this winter.

Will Return

The **Mattagami Lake Syndicate,** which paced exploration there last year, plans to return for further work this year. **Newmont Mining Corp.** is back to do survey work now, and **Kennco Explorations** — exploration arm of **Kennecott Copper** — plans deep drilling this spring, its third season in the area.

East Sullivan Mines is already under way with a major program of ground work and drilling. Activity is being concentrated on the Cavelier block, southwest of the Mattagami Syndicate property.

Also with plans for Mattagami prospects are **Ajax Petroleums,** reported to be moving in drill equipment, **New Hosco Mines** and **Norvalie Mines.** Prospects are held in this area by several other interests including **Marchant Mining, Roche Mines** and others.

A nickel discovery in LaMotte Twp., Que., has sparked some interest in that area. Marchant Mining has already drilled the find and reports encouraging results. New Hosco reports it will likely carry out work on a prospect nearby.

British capital is financing exploration in the Noranda area. **Consolidated Zinc Corp. of Canada** is drilling the optioned copper property of **Consolidated Vauze** and has a drill working another area prospect optioned from **MacDonald Mines.**

Results from the Vauze drilling is called "encouraging" by an official.

In northwestern Ontario, **Noranda Mines** is carrying out geophysical work and trenching on a copper prospect in the Mine Centre district.

Noranda, always active in exploration, is also understood to have parties in Manitoba, B. C., as well as eastern Canada.

Renewed interest in the Red Lake gold camp is featured by exploration work as well as underground development.

Pushing Ahead

Boymar Gold Mines, with some 4,000 ft. of drilling already done on its property, is pushing ahead with a major drilling program.

Northern Canada Mines may drill its iron ore property in the Savant Lake area of northwestern Ontario. Company also has plans for testing prospects in Manitoba.

One of the most active exploration companies, **Rio Canadian Exploration** has a far-ranging search under way this winter.

The company, exploration subsidiary of **Rio Tinto Mining Co. of Canada,** is drilling a molybdenite prospect in the Sioux Lookout, Ont., area.

Its newest program is at Wintering Lake, some 40 miles south of **International Nickel's** Thompson-Moak Lake development.

Rio has pulled together several different groups of claims, mostly under option deals, from eight syndicates and companies. A number of anomalies, indicated by air survey, are to be drilled.

Among companies optioning ground to Rio are **McWatters Gold Mines, Skeena Silver Mines, Fort Reliance Minerals, Parmlee Manitoba Mining, Gold Lake Mines** and **Agassiz Mines.**

Interest in the Herb Lake district of Manitoba is also humming.

Copper Prospects

Texas Gulf Sulphur and **Selco Explorations** are in the area, picking up prospects from the **Jay Kay Syndicate.** These are copper prospects.

Jay Kay continues to be active in the Herb Lake region.

Exploration pace in northeastern Saskatchewan has been brisk recently. And a number of prospects are active this winter.

Mansa Explorations has plans for drilling a base metals property west of Flin Flon near Piney Lake where air and ground surveys have indicated anomalies. Mansa is financed by **Midrim Mining, Nicoba Mines, Multi - Minerals, D'Aragon Mines, Taranco Holdings** and **Mirado Nickel.**

Another program is lined up by **Hanson Lake Mines,** successor to the **Parrex Syndicate** which has been active west and east of Flin Flon for some time.

This could be a major exploration and development program, since major mining companies are backing Hanson Lake.

Noranda, **Teck Hughes, New Dickenson, Crowpat** and **Consolidated Goldfields** held shares in Parrex, exchangeable for Hanson Lake shares on a 200-for-one basis.

Hanson Lake has holdings that stretch in a 175-mile belt across the Manitoba-Saskatchewan border, but chief interest is in the Hanson Lake group, 40 miles northwest of Flin Flon.

Copper-Zinc

Elsewhere in Saskatchewan, interest is developing in a copper-zinc prospect at Brabant Lake.

Westore Mines, holding land jointly with **Paramount Petroleums & Minerals,** reports it has outlined about 1.5 million tons of ore averaging 4.8% zinc, 0.55% copper plus silver values to 300 ft. depth. Westore is deep drilling now.

The La Ronge area is marked for further exploration, with Rio Tinto interests leading the way.

Rio Canadian has taken over substantial acreage in the area and has a survey program going. Objective here is to develop sulphide ore bodies so that the fairly substantial deposit of **Anglo-Rouyn Mines** could be developed. By itself, it is not believed to be economic in this location.

In B. C., **Canadian Exploration, a Placer Development** subsidiary, is drilling copper-iron property of **Craigmont Mines** near Merritt.

The Placer company is also active throughout the province, the Yukon and other western provinces.

New Mine-Search Approach Broadens Promising Areas

By FRANK KAPLAN

A daring experiment that is opening up to mineral exploration thousands of square miles of Canadian ground is under way in Manitoba.

It is on ground that previously wouldn't even be considered worth a look from mine exploration teams. A geological map would be more likely to indicate that it might be promising for oil and gas.

In one year's work involving some $300,000, a private company—**Parmlee Manitoba Mining** (backed by **Callahan Lead Zinc** of the U. S.)—has indicated that modern mine-finding tools can probe previously ignored ground lying along the rim of the mineral-carrying Pre-Cambrian Shield.

This is ground where the older Pre-Cambrian rocks are covered by younger sedimentary rocks. (It is the Pre-Cambrian that is considered the favorable ground and where Canada's northern mining communities are found.)

Parmlee operations are directed by geologist Dr. W. R. Newman who has had extensive experience in the hunt for oil and gas as well as metal mines.

The theory he is applying is that:

—Airborne geophysics, a relatively new tool in mineral exploration, can peek beneath up to 200 ft. of younger Paleozoic rocks and examine the mineral prospects of older underlying Pre-Cambrian rocks.

—Areas worth trying to probe are those adjacent to favorable geological ground already known in the Shield.

Particularly promising would be districts adjacent to known mineral-bearing areas like Flin Flon in Manitoba and the Lac La Ronge area in northern Saskatchewan.

The area chosen by Parmlee was about 20 miles south of Flin Flon where nine mines are known to exist. It obtained five reservations totaling 828,900 acres.

These reservations run east for 65 miles from the Manitoba-Saskatchewan border. They are 25-30 miles in a north-south direction. Two of the reservations are about 30 miles southwest of the Snow Lake-Chisel Lake area where **Hudson Bay Mining & Smelting** has found lead and zinc.

The procedure followed:

—After preliminary examination to determine thickness of overlying sediments in certain areas. **Aerophysics of Canada** carried out airborne magnetometer and electromagnetic surveys.

—Initially confined to the Manitoba ground, the surveys were extended into Saskatchewan and results led to staking some 700 claims in Saskatchewan.

Results of the airborne survey:

—More than 200 anomalies were picked up. These are areas which would be worth examining further by surface exploration. (Air surveys using special equipment are used in an attempt to find base metal ore deposits. The **International Nickel** Moak Lake - Mystery Lake deposits were found as a result of aerial surveys.)

This proved, says Dr. Newman, that the favorable geology of the Flin Flon area extends under the younger rock. It also proved that airborne mine-finding methods can pick up anomalies under the Paleozoic without too great a distortion by the sediments.

Non-Economic

Parmlee has since checked out some anomalies, carried out some 8,000 ft. of diamond drilling in the northwestern section of its concession blocks. So far no economic deposits of ore have been found, Dr. Newman emphasized.

But the drilling did indicate "lots of promise" with sulphides and chalcopyrite appearing.

The private company is continuing its search under younger rock into the deeper Pre-Cambrian Shield in an attempt to come up with an economic concentration of minerals.

This winter it is drilling selected anomalies and will conduct more detailed surface exploration with three EM crews and two magnetometer teams.

A similar exploration approach is being followed by **Lacwin Mining** which was first to obtain a concession. Its area is on Lake Winnipeg, some 80 miles north of Winnipeg. Lacwin was the first company to obtain a reservation from the Manitoba government. It plans drilling on a copper-nickel indication.

ANNOUNCEMENT

PFIZER APPOINTMENT

G. SIMONS

Fraser W. Lockhart, general manager of Pfizer Canada, announces the appointment of George Simons, C.A., to the position of Comptroller. Mr. Simons joined Pfizer Canada as Chief Accountant in 1955.

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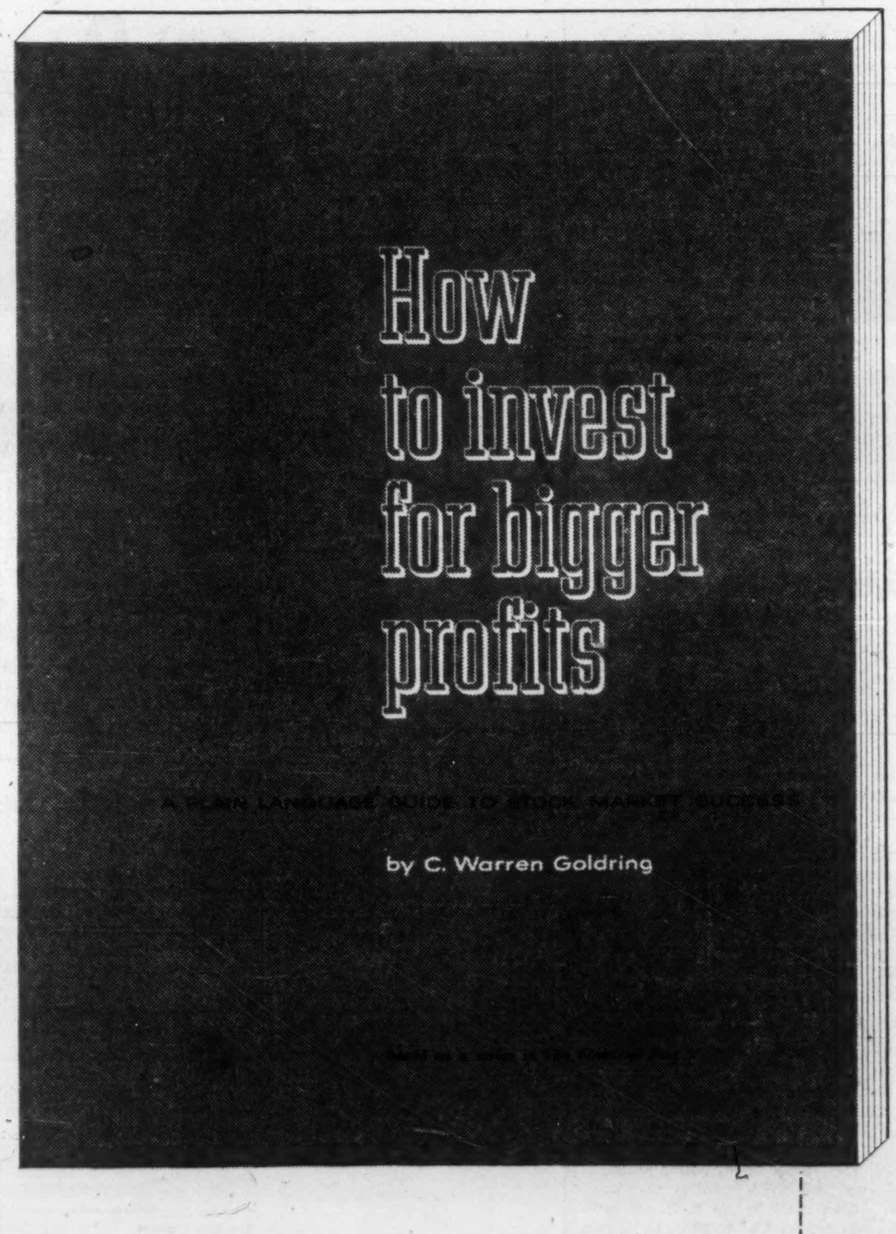

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ANNOUNCEMENT

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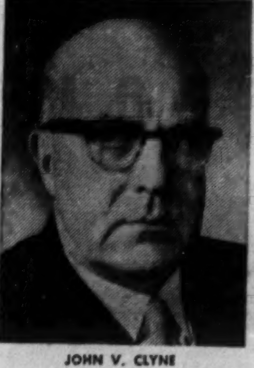

JOHN V. CLYNE

John V. Clyne, former Judge of the Supreme Court of B. C., has been named Chairman of the Board of Directors of MacMillan & Bloedel Limited, Vancouver. His election to the position was announced by Ralph M. Shaw, President, following a meeting of the Board of Directors of the Company, held immediately after the Annual General Meeting of shareholders on January 9, at which Mr. Clyne was elected a Director.
During a distinguished business and legal career, Mr. Clyne was the first Chairman of the Canadian Maritime Commission, and has represented Canada on a number of sub-committees of the U.N. and N.A.T.O.
Mr. Clyne resigned from the Bench effective December 31, 1957, and took up his new position immediately following the appointment.

SISCOE MINES produced 1,190,630 oz. silver in 1957, a record high for the company, and 24,490 lb. cobalt. Best previous silver output records were in 1955 and 1952 when slightly over one million oz. were produced.

A SAFE 10% PER ANNUM
See Page 2
FOR SMALL INVESTORS
See REAL ESTATE INVESTMENT TRUST

Merrill I. To Open Copper Mine

Merrill Island Mining, counting on improvement in the depressed copper market, will bring into production next month its property in the Chibougamau mining camp.

It will be the third producer in this comparatively new copper area.

Merrill Island is scheduled to turn over its new 650-ton mill by Feb. 1. Company officials say the mine can make an operating profit at current copper price of 24¾c (25c U. S.).

And they are anticipating an improvement in the market later this year.

The mill will be fed initially from a 30,000-ton to 40,000-ton stockpile of development ore which averages about 2.1% copper per ton — sufficient for a couple of months at the 650-ton daily milling rate. Ore reserves are so far estimated to represent a six-year supply.

Merrill Island has spent more than $4,320,000 on its property to date. Since its inception, the company has received $4,371,000 from the sale of shares, $1,145,000 as its share of profits from the "B" orebody leased to **Campbell Chibougamau Mines** and about $128,000 in miscellaneous investment income.

Net working capital at the present time exceeds $700,000, more than enough to cover needs until first returns from production come in, the company says.

DOME MINES reports gross production of $570,284 for December from 59,400 tons of ore milled. This compares with production of $480,055 in November and $561,162 in December of 1956.

Taking Stock

What's going on in the mining and oil markets — the facts and rumors.

By RAY MAGLADRY

New drilling ventures planned for the Virginia Hills-Swan Hills area of Alberta. Together with Home Oil's major program, they are bringing activity in the area to a steady simmer.

A Devonian oil strike about one year ago at Virginia Hills first swung interest to the relatively-unexplored region. Now, two major integrated companies, Shell and McColl-Frontenac, are in the play along with smaller firms which are participating with them.

This table shows recent market action in stocks of some of the companies involved:

	Latest Price $	Week Ago $	Month Ago $
Cons. Mic Mac	2.20	2.15	2.15
Hudson Bay Oil	16⅝	16¼	16⅛
Home Oil B	15½	14¾	14
United Oils	2.40	2.47	2.31

• • • •

Drillstem test by **Cree Oil** in top portion of its Butte, Alta. exploratory well apparently fails to reveal free oil or commercial gas. Cree at $3.75 compares with $4 recently.

Partridge Canadian Explorations planning to drill in the Hay River, Alta., area where company has a 15.38% interest in a reservation. Partridge at 18c compares with a recent 19c.

Additional shares of **United Oils** to be offered shareholders at $2 per share. Shareholders of record Jan. 24 may buy one additional share for each three shares now held, and it could bring $4 million to United's treasury. Mid-week market price of United shares was $2.40.

• • •

A burst of trading activity occurred in a handful of lower-priced speculative mining issues.

New Mylamaque Explorations sets the pace, trading over one million shares in one session, and climbing from 19c to 36c before settling at 30c. Company has arranged new financing with an underwriting on 200,000 shares at 20c, and 400,000 shares to be optioned at 25c-50c subject to increase in capitalization. Company rumored to have an iron prospect.

Another new underwriting covers 200,000 shares of **Cody-Reco Mines** at 15c each with options on another 800,000 shares at prices ranging from 20c to 75c. Cody-Reco flips from 15c to 27c, settles at 25c.

• • •

Other speculatives also provide some mild action, but price changes are small.

International Ranwick continues churning in fairly heavy turnover, settles at 22c compared with about 24c a week ago.

Boymar Gold in brisk trade on report that drilling on its Red Lake property has returned good results. Boymar climbs from 9c to 15c, settles at 13c.

• • •

Glacier Explorers and **Continental Mining Exploration** are proposing a merger subject to shareholder approval. It would be a marriage of the oil and gas interests of Glacier with the predominantly mining interests of Continental.

Glacier climbs from $1.25 to $1.60, while Continental at $3.30 compares with a recent price of $3.25.

Meeting of **Lorado Uranium Mines** debenture holders, called January 17 to amend sinking fund provisions, adjourned to February 11. Company seeks the changes so that a bank loan may be liquidated. Lorado at 63c compares with a recent 67c.

Cassiar Asbestos slips ahead to $6.75 from $5.50 recently as president says an initial dividend is expected to be paid this year.

U.S. Now Aims at Copper Push for Tariff Barrier

Special Correspondence

WASHINGTON — Canada's copper producers will suffer if a strongly-backed tariff increase measure gets U. S. Congressional approval.

Bills have been introduced in both the House and Senate to raise restrictions against copper imports. The U.S. copper industry was pictured by the Congressmen as "near collapse" because of imports.

Here's what will happen if these bills are okayed:

An import tax of four cents a lb. would be imposed whenever the U. S. market price of copper falls below 30c a lb.

Present price of large producers is 25c.

The current law provides that an import tax may be assessed when the price drops to 24c lb. The tax, however, has been suspended since the Korean War.

The proposed bills for higher import taxes have powerful, bipartisan backing. It is highly unlikely that the Eisenhower Administration will take any strong stand against the proposals, at least until its trade program gets through Congress.

Fourteen Senators sponsored the bill introduced in the Senate and a dozen representatives from copper-producing states introduced the bill in the House.

Rep. Stewart L. Udall, Democrat of Arizona whose state produces about half the copper mined in the U.S., said the import restrictions would "tend to balance out the competitive picture which now favors the producer who has abnormally low production costs."

He hoped for a united front of both copper-producing and copper-using areas in order to get approval of the legislation.

In a plea for the legislation, Senator Charles Potter of Michigan said: "Think for a moment of the position of this nation in wartime if, lacking domestic sources, we are dependent on copper imports. Russia's fleet of 500 submarines could pick off those copper ships like sitting ducks."

Although it might be difficult for Russian submarines to pick off the railway cars taking Canadian copper to the U. S., there was no inclination to provide any exemption for Canadian copper.

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Mines Survey

Canadian mining is laying the groundwork now for future expansion and new production.

For the background:

The 1958 edition of the **FP Survey of Mines,** now off the press, details the outlook and past accomplishments of this important industry for today's investor.

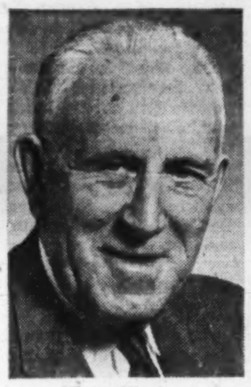
The Survey is the most comprehensive in its field, featuring 26 pages of maps, eight-year price range of stocks and mineral production tables from 1858 reviews of individual companies.

The 1958 Survey of Mines is available from **FP**, 481 University Ave., Toronto 2. 436 pp; price $3.

ANNOUNCEMENT

GENERAL PAINT EXECUTIVE APPOINTMENTS

General Paint Corporation of Canada, Limited, Vancouver, B.C. announces the following new appointments.



Thos. W. Ayres

Thos. W. Ayres, Chairman of the Board. Mr. Ayres, with his father, the late Allan J. Ayres, founded the original company in 1911. He was named President and General Manager in 1937 and has been actively engaged in directing the affairs of the company since that time. Mr. Ayres is a member of the Vancouver Club and a Past Commodore and Life Member of the Royal Vancouver Yacht Club.

Allan C. L. Kelly

Allan C. L. Kelly, President. Mr. Kelly joined the firm in 1919 and rose successively through the ranks as salesman, Advertising Manager, General Sales Manager and Vice President. A former Chairman of the B.C. Products Bureau of the Vancouver Board of Trade, he has played an active part in civic and provincial affairs. He serves on the B.C. Regional Committee, Canadian Chamber of Commerce.

Harry J. Mackay, C.A.

Harry J. Mackay, C.A., Vice President and General Manager. Mr. Mackay came to General Paint in 1948 in the capacity of Office Manager and Comptroller. He was appointed Secretary-Treasurer in 1949. Mr. Mackay is a member of the Institute of Chartered Accountants and was formerly an officer of the Dominion Income Tax Department.

V49-1

A New Guide to Canadian Investing

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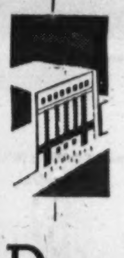

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New TSE Statements Give Quick Data to the Public

The Toronto Stock Exchange continues to make available quickly its new filing statements required when material changes occur in the affairs of a listed company (**FP**, Jan. 11).

Latest filing statements followed financing by **New Mylamaque Explorations** and **Cody-Reco Mines** low-priced mining companies which this week were highlights of trading activity. These filings are available to the public on request to the TSE.

New Mylamaque Explorations which traded more than one million shares in a single session reported an underwriting and option agreement and plans to acquire a new property for shares.

This filing statement added that "a further statement will be filed immediately details of acquisition are finalized."

At mid-week there was considerable speculation regarding the location and merits of this property.

The report also added that "if any offer to purchase is made . . . such offer will be in form of vendors shares and no cash consideration will be paid."

The financing agreement is for 200,000 shares underwritten at 20c and options on 400,000 additional shares at prices from 25c to 50c. It is subject to an increase in authorized capital to 5 million shares from 4 million. Underwriter is the president, P. J. Hughes, of Uranium City, Sask., who together with R. E. Fasken of Port Credit, Ont., and J. McParland of Uranium City, can elect a majority of directors.

Five largest shareholders are L. J. West & Co. (153,800), Cradock Securities (153,750); Brewis & White (150,913); J. McParland (135,500); James Richardson & Sons, Toronto (88,469); P. J. Hughes (84,260).

A more complicated filing statement was made by Cody-Reco which is optioning copper-uranium-thorium prospect from Trans-Canada Explorations and plans surface exploration and diamond drilling. This filing includes details of the option agreement, underwriting and a report by consulting geologist, Ralph I. Benner.

The new property is about 30 miles west-southwest of Sudbury. Benner's report recommends investigation of copper and uranium possibilities. He suggests that the conglomerate beds of the Blind River area may be covered on the property.

The underwriting is by J. D. Cullingham & Co., and covers 200,000 shares at 15c with options on an additional 800,000 shares at prices ranging from 20c to 75c a share. Trans-Canada Explorations has half of the underwriting and option.

Five largest shareholders in Cody-Reco are J. D. Cullingham & Co. (222,000); Hoyt Metal Co. of Canada (200,000); Gladwin Explorations (179,300); James A. Taylor, Oakville, Ont. (158,000) and Stephen B. Roman (150,000).

BDA Strong, Meet Hears

The Broker-Dealers' Association of Ontario is successfully weathering a difficult time, with membership only slightly down from a year ago, Malcolm A. Moysey, chairman of the board of governors, told the 10th annual meeting.

Membership stands at 114 now compared with 122 last year, he said.

Only one member has had to withdraw because of financial difficulties and "that situation was handled by the board in a manner that avoided any difficulties with government authorities or loss to the public," Mr. Moysey pointed out.

He warned members that, when acting as agents, they should take precautions to learn the true identity of the principals.

Plan to Examine Old Candego Mine

North Gaspe Mines, a recently-incorporated company, has completed arrangements with **East Macdonald Mines** to examine the old **Consolidated Candego** mine in Gaspe - North, Que., President Laurent Lafond reports.

The company plans to carry out an exploration and development program on the property where production was stopped four years ago.

North Gaspe has agreed to spend $260,000 on the property within two years for which it is to receive 970,000 shares of East Macdonald treasury stock, Mr. Lafond says.

North Gaspe would pay 30% of net profits of any production to East Macdonald.

There is a 70-ton mill on the property. Silver, lead and zinc concentrates were produced from previous operations.

The CANADIAN FORECASTER

Do You Need Any of These?

SOUND MARKET APPRAISAL — Our analysis of conditions surrounding the Canadian market and individual stocks led to over 200 recommendations which made or saved money for our readers during 1957. Among these were:

Stock	Approx. Buy Price	Approx. High Since Purchase	Approx. Advance
Area	$ .54	$ 1.84	233%
Copper Crest	.55	1.22	120%
Stanwell	60	1.75	190%
Chibougamau Jaculet	2.90	4.25	41%
Fargo	3.00	9.55	210%
Canadian Atlantic	6.35	10.50	65%
Canadian Husky	14.00	23.00	64%
Westcoast Transmission	27.00	47.00	74%
Interprovincial	30.00	62.00	105%
British Columbia Power	34.00	54.00	58%
Canadian Bank Commerce	44.50	59.00	32%
Trans Mountain	75.00	145.00	93%

INDIVIDUAL ASSISTANCE Our readers get personal help with their "problem Stocks"—the ones which have, or might possibly cost them money. This includes detailed reports on any Canadian stocks plus our frank opinion on their future trading prospects. This is a complimentary service to our subscribers, enabling them to have help with all their market decisions at no additional cost to them.

CURRENT INFORMATION Our 8-page weekly bulletin offers up-to-date information on significant developments in mining, oil, and industry; keeps you abreast of latest speculative and investment trends; lets you know what individual companies and stocks are doing and what they might do. In easy to understand language it explains what affect these trends and developments could have on the market and you—from your profit and loss standpoint.

WEEK TO WEEK GUIDANCE — The Canadian Forecaster stays with you right through the investment and trading cycles. Every seven days you receive analysis of the market and stocks requiring immediate attention. Most important of all—you receive direct suggestions on which stocks to buy, when to sell—plus an explanation of why these moves should be made.

These are just four of the benefits offered to our readers. If you are not satisfied with the results of your 1957 market activity, or if you feel you are not ready for 1958—which many experts are predicting will be an excellent year for trading and investment in Canadian stocks—then possibly The Canadian Forecaster can help you. (Trial subscribers are entitled to full benefits and may include along with their subscriptions, the names of their "problem stocks" for analysis and opinion on future prospects.)

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ANNOUNCEMENT

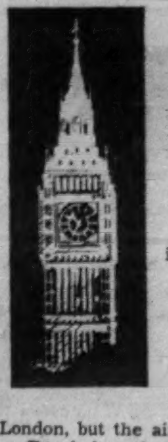
Hiram Walker Appointment

GORDON N. MONEY

Formerly Western Sales Manager, Mr. Money has now been appointed Assistant General Sales Manager for Canada, as announced by the management of Hiram Walker & Sons Limited, Walkerville.

He joined the company as Sales Representative in 1945, following his return from overseas service with the Seaforth Highlanders of Canada. Prior to the war he was active in the management of several prominent hotels in the U. S. and Hawaii.

Mr. Money will continue to operate from his present headquarters in the Vancouver office of the company.



Letter from London

by Adelphi

TV May be in the Doldrums But Stallions are in Demand

Let us not mince words. This winter in Britain has been abominable.

The air is so damp and sodden that it chills us to the bone without the relief of snow to uplift the spirit.

Even Sir Winston Churchill who recently celebrated his 83rd birthday, decided to go off to the Riviera and seek the sun if it can be found.

It has not been really cold here in London, but the air has a razor edge cut about it.

People hug the open firesides which in turn send out the smoke to ensure that there will be enough mist or fog to hide the sun if it did happen to turn up by mistake.

* * *

However, the politicians have been doing their best to take our minds off the climate.

Peter Thorneycroft, after resigning as Chancellor of the Exchequer, was given a great reception and vote of confidence when he addressed a crowded meeting in his constituency.

But that is in the true British tradition. Local loyalties are always strong when it is a case of their member against authority.

The newspapers are full of pictures of Prime Minister Macmillan being garlanded by enthusiastic crowds in the Outer Commonwealth but there is a growing feeling that he ought to visit Britain pretty soon.

However, he is imperturbable and has some of the qualities of the French aristocrat who decided to ignore the Revolution.

One thing is certain—the next few months at Westminster will not be dull. The number of ex-ministers who will be sitting as private members above the gangway is now so large that ministers speaking from the Dispatch Box will feel the breath on their necks.

* * *

Butler Gains In Prestige

A by-product of the situation is the rise of R. A. Butler in prestige.

He was passed over for Macmillan when the Queen had to choose a successor to Sir Anthony Eden but his firm loyalty to Macmillan in the Thorneycroft affair has won universal respect.

The full effect of the Thorneycroft rebellion and resignation will be easier to assess when Parliament resumes.

Obviously the Socialists will force a debate on the whole affair and will move a vote of no confidence.

On the surface one might assume that this will put Thorneycroft and his two ministers in an uncomfortable position.

How can they support a government in the voting lobby when they resigned from that very government?

It is understood, however, in Parliament that a member may abstain from voting with his own party if his conscience will not permit him to support it.

But it is a very serious thing indeed if he goes so far as to vote against his party.

Therefore you will realize that things will not be easy for the ministerial mutineers no matter how loudly their constituents applaud them.

* * *

Asks Railway To Airport

However, it must not be assumed that in Britain we live entirely on politics.

For example, the well-known architect, Sir Alfred Bossom, together with a committee of experts, has produced a 70-ft.-long working model of an overhead railway which would link Central London and the far off London Airport.

Sir Alfred tells us that the railway will be elevated above the road and also go down to run on the road at certain places.

"Passengers," he said, "could leave London and go straight through on to the runway at the airport and right into the plane.

"In fact they could be inside the aircraft within 30 minutes of leaving Central London."

To which Sir Alfred added the reassuring words that if it were adopted it would put London ahead of any other city in the world.

Certainly all of us who use the London Airport would like to see an end to the cruel jest that it takes as long to get from Waterloo to the airport as it does to fly from the airport to New York.

* * *

Now let us discuss for a moment the reaction of the Stock Exchange to the trend of political events in Britain.

Not unnaturally these events have been interpreted more pessimistically in foreign centres than in London.

The government has a firm, substantial majority which will prevent any chance of defeat in the voting lobbies.

Sterling lost ground abroad but London brushed it off as just one of those things.

Already the new Chancellor has wisely announced that there will be no change in the Thorneycroft policy of giving top priority to holding the value of the pound.

As a result it seems certain that the nervousness exhibited in foreign centres will disappear.

On balance the level of profits in industry is healthy and encouraging.

The shadow which darkens the financial scene is caused by the uncertainty of President Eisenhower's health but on the whole the London Stock Market sees no serious threats to the general level of prices for the next few months.

In other words the market is quietly confident, based partly on the philosophy of "I do not ask to see the distant scene."

* * *

TV Programs Have Problems

That powerful new factor in modern life—the TV set—is facing many problems. It seems that the fatigue point is being reached in many program features that seemed invulnerable.

Thus commercial television recently announced that owing to lack of audience interest it had decided to drop the 64,000 quiz which is an imitation of the U. S. quiz except that the prize is in shillings.

This program was in essence both exciting and educational, demanding immense powers of concentration and downright courage.

The compere, incidentally, was Canadian Hughie Green who did a fine job. But somehow the audience fell away and the shutters are up.

On the other hand such features as Panorama which are political and informative hold their audience, and there proved to be a big public for the serial presentation of such popular novels as David Copperfield, Nicholas Nickleby and Vanity Fair.

Nor is the viewing public indifferent to Canadian Bernard Braden who has begun a new series of his surrealist humor which is in essence a running satire on life in general.

Oddly enough there seems no audience for straight singing or symphony orchestras.

* * *

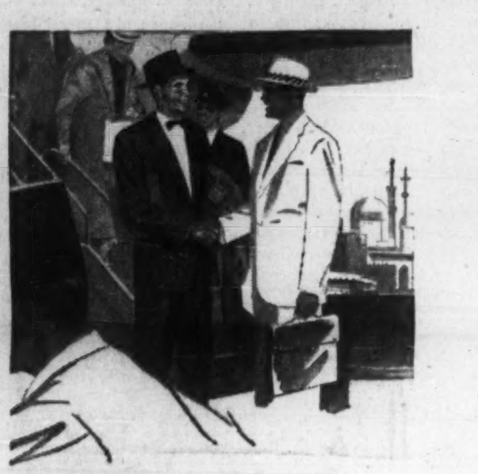
However, let me utter a cheerful note. The English thoroughbred is still in great demand for stallion purposes.

Putting aside the pleasantries of its occupation the British stallion is an important dollar earner in a period when dollars are in much demand.

RALPH ALLEN

editor of Maclean's Magazine, has been appointed director of Maclean - Hunter Publishing Co.

CANADA'S ORIGINAL MUTUAL FUND
HAS DECLARED ITS
100TH CONSECUTIVE QUARTERLY DIVIDEND
EIGHT CENTS PER SHARE
PAYABLE FEB. 1, 1958 TO SHAREHOLDERS OF RECORD JAN. 15
GROWTH IN POST-WAR ANNUAL DIVIDENDS PER SHARE
1945..17¢ (UP 123%) 1957..38¢
CASH DIVIDENDS EXCEED $27,000,000 SINCE ORGANIZATION
Canadian Investment Fund, Ltd.



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FEW DO IT

Lunenburg Collects 99% of Town Taxes

By ROY K. COOKE

LUNENBURG — Few communities have the record of Lunenburg, N.S., which year after year collects over 99% of taxes before Dec. 31.

Town clerk Loren Geldert of this fishing port of 2,900 on the province's South Shore reports that 99.7% of last year's taxes have been collected. Outstanding is $549.24 out of the total tax of $187,009.

In 1956 the average collected at the end of the year was 99.54%.

In 1955, the last year for which complete provincial figures are available for comparison, Lunenburg led the province with an average of 99.36%.

Annapolis Royal was second with 95.30%. Liverpool was third with 94.69%. The provincial average was 85.79%.

"One reason for our good record," says Geldert, "is that the names of delinquent tax payers are published in the Progress Enterprise, the local weekly, in a paid advertisement at the year's end. Few people fancy that kind of publicity. So if they possibly can, they pay up."

The system started in 1934 when $28,000 was owing. It took a whole page of publishing the names. Now the list seldom exceeds ten or fifteen names.

Legally the taxes are due July 1. To get action a discount of 3% is given before the end of May and 2% during June. There is no discount after this date.

Discount System

Discounting brings in about 85% of all taxes. Tax payers who still owe on Dec. 10 receive a friendly letter from Loren Geldert urging payment. He mentions that the money is needed for the successful operation of the town.

From Dec. 15 to Dec. 20, the Chief of Police armed with warrants starts making calls. This always brings in the final amounts excepting those families with undue hardships.

In the end the town gets just about all that is outstanding. In 1956 $906.03 was owing but was all collected in the next year except $10.90.

Less than $100 is written off each year and this includes errors in assessment on personal property belonging to people who have moved away.

In 23 years Lunenburg has sold only two properties for back taxes and each time the sale was made at the owners' requests to get clear title.

HEAVIER TRAFFIC

From Our Own Correspondent

SAINT JOHN — A survey of port business here for the current winter shipping season indicates business has improved considerably in recent weeks. National Harbors Board office in Saint John reports that in December, 1957, 315,000 tons of ocean freight, including grain, were handled (300,000 tons in same month a year earlier). Grain shipments for this season—3,475,000 bu. (3,497,000). Number of ocean ships in port during last month was 139 (119).

ACROSS CANADA
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If you're interested in refrigeration and air conditioning, you'll want to see the latest developments and improvements to come out of the KeepRite plant . . . developments and improvements that have increased the demand for KeepRite products in all types of installations across Canada. Hospitals, hotels, restaurants, super-markets, drug stores, jewellery stores all across Canada are using KeepRite equipment.
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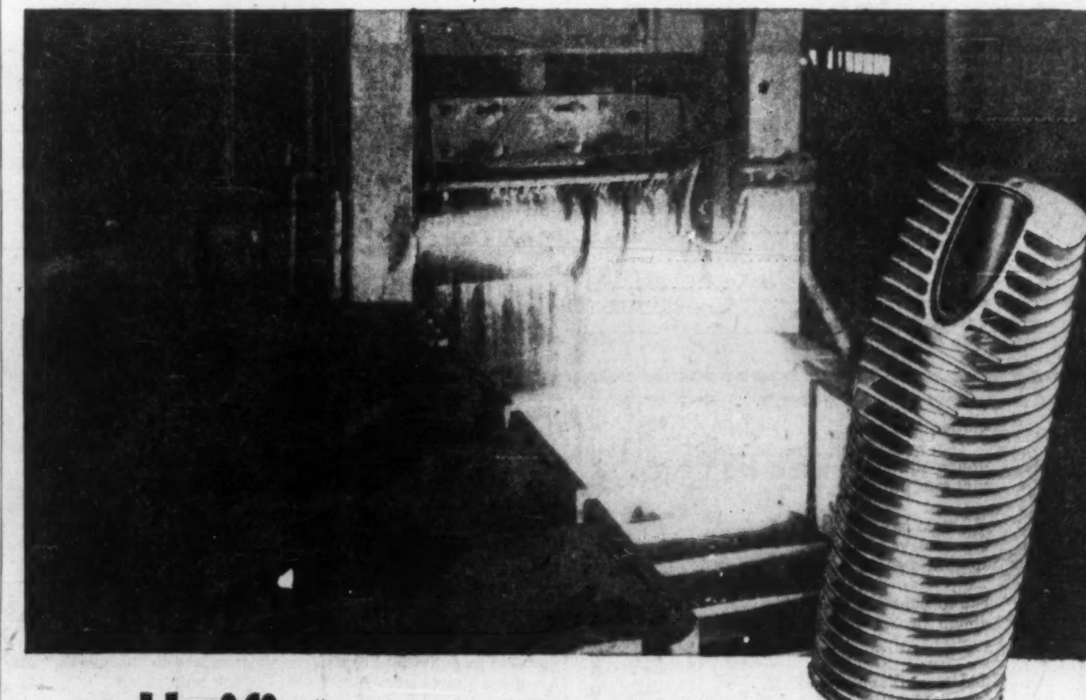

Unifin* helps the steelmakers

These Unifin R.C.P. (Removable Cover Plate) Water Cooling Coils were installed more than 15 years ago at Atlas Steels Limited, Welland, Ontario, to cool the motor generator sets supplying power to the main rolling mills.
The majority of the electrical equipment installed in recent years to drive new rolling equipment in Canadian steel mills is cooled by Unifin Cooling Coils.
The basic component of these blast coils is Unifin "Copperline" finned tubing—a copper tube encased in an integrally-finned aluminum tube.
Compared with all types of finned tubing on which the fins are mechanically bonded to the tube, Unifin's unique structure (the fins are pressed out from the metal of the tube wall itself) offers superior heat transfer, longer life, and reduced maintenance.
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The Financial Post

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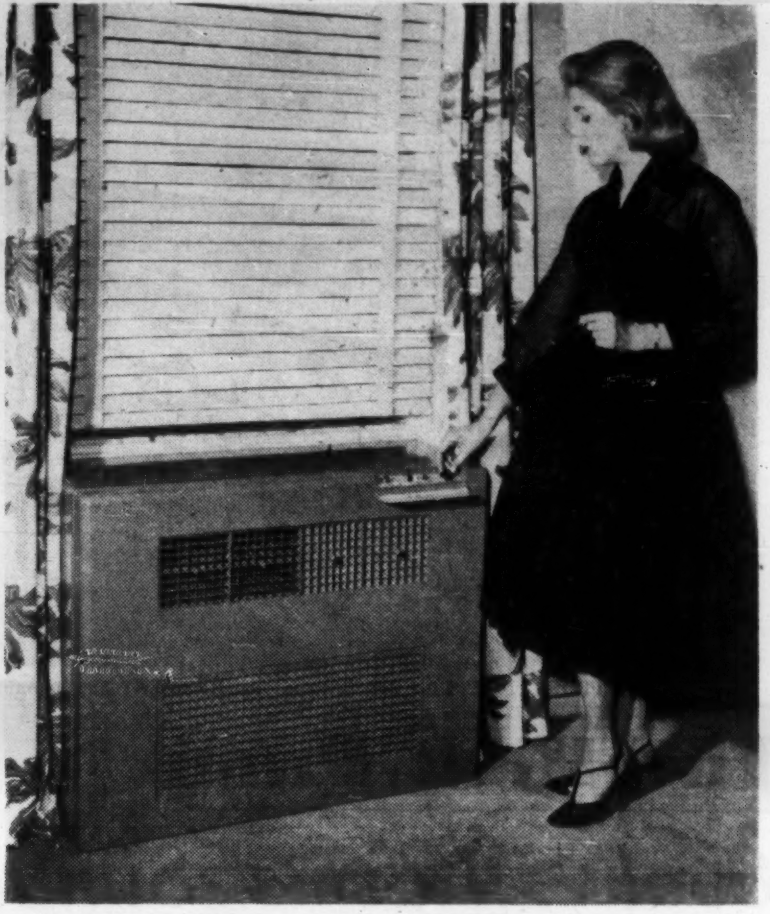
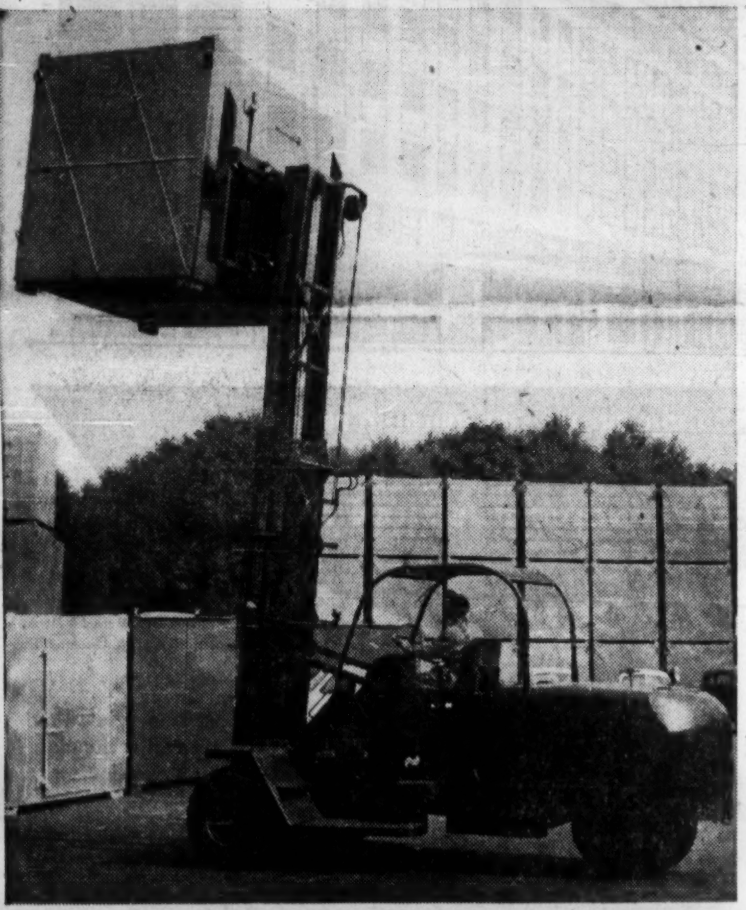
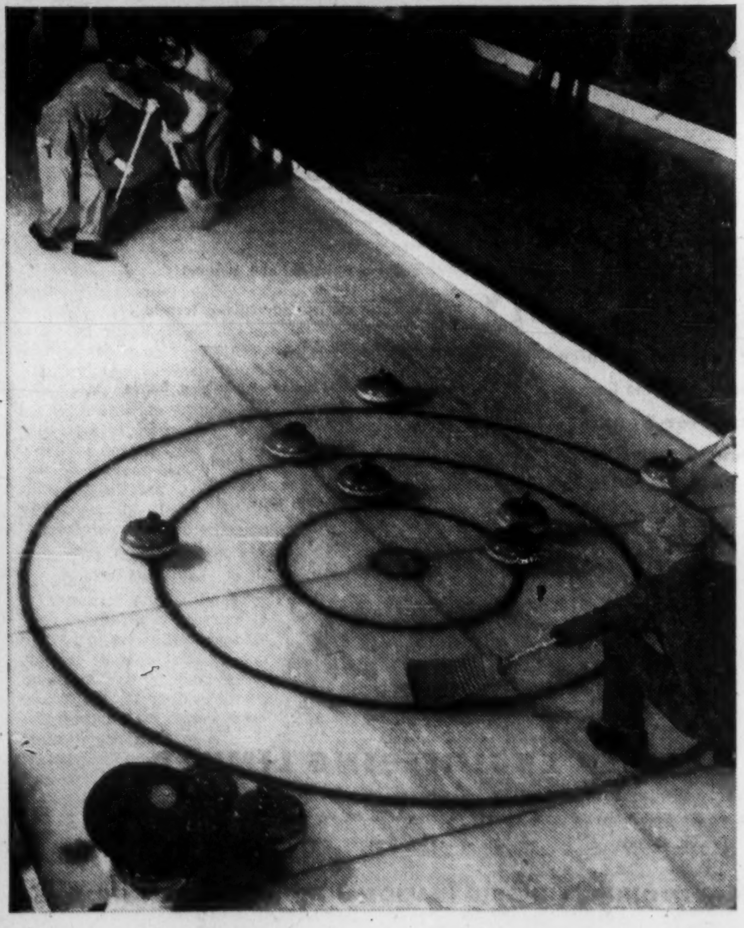






REFRIGERATION & AIR CONDITIONING

—a feature report

By STANLEY MALINOSKI

It doesn't matter where you live and work—in the sun-baked south, the frozen northland or in between—"controlled comfort" is blowing your way.

It's being fanned by the fast-growing air conditioning and refrigeration industry.

In Canadian factories, institutions, offices and residences, complaints of "too much heat or too much cold" are not going unheeded.

"This represents a terrific challenge to the industry as a whole," declares W. T. E. Duncan of **Honeywell Controls Ltd.**

Industry spokesmen say controlled environment soon will become as important from the standpoint of health and working efficiency as it already is from the standpoint of comfort.

Air conditioning has begun a growth curve which will reach significant proportions during the next few years.

One forecast: Five years from now there will hardly be a new home or building built that is not equipped with year-round air conditioning.

Industry leaders figure that air conditioning and refrigeration is a $65 million a year business in Canada.

On an over-all basis, they estimate, 1957 showed a 4% increase in business, despite the fact 1957 was considered a disappointing business year for air conditioning due to low-average temperatures that prevailed throughout the summer.

OPTIMISTIC

Edward Milner, president of the Canadian Refrigeration Manufacturers Association, says: "We are optimistic that from now on we can look forward to a 5% to 10% increase annually."

Every day under operating conditions in factories and shops throughout the country, new uses are being found for air conditioning and refrigeration to aid production, increase efficiency and cut costs.

More and more companies are using man-made weather as a manufacturing tool. Makers of such products as processed food, electronics, paper and chemicals are among other concerns which require weather control to maintain production of some products the year round, eliminate waste or ensure uniform quality.

Developments in electronics have introduced a new concept for the control of heating, ventilating and air conditioning throughout the year.

EXAMPLES

Here are some examples which are more than interesting.

Doctors know that individual control of the hospital room environment will help a patient recover more quickly.

Considerable progress has been made in using air conditioning in treating allergic disorders, such as hay fever and pollen asthma, as well as other diseases and for heat and cold therapy.

For instance, in treating patients with rheumatic arthritis, a hot, dry environment of 90 deg. and 35% relative humidity has proved to be desirable. Nurseries should be maintained at about 85 deg. and 60% relative humidity. Within a few years all modern hospitals will be completely air conditioned.

A comprehensive study in the U. S. by Honeywell shows that less than 1% increase in worker efficiency would amortize the cost of owning and operating an air conditioning system in a typical new office building over a 20-year period—and just a little more would do the same for an existing office building.

WORK LOSS

Seventy-five manufacturing plants in the New York City area have indicated that 100 days in each year are so hot or humid that employees either slow down or stop work entirely during part or all day.

Average loss for each employee working in a non-air conditioned building: $108 annually.

Note: Plant absenteeism dropped 25% to 30% after installation of air conditioning, turnover in personnel was reduced, cleaning costs were lower and productivity increased.

Other situations:

Aluminum Co. of Canada reports a sharp drop in absenteeism and rate of turnover after air conditioned rooms were used where employees could rest at regular intervals.

Detroit Edison Co. efficiency study in its drafting rooms shows increased efficiency by 51% following installations of air conditioning.

U. S. government found that the output of stenographers increased 24% with the installation of air conditioning.

C. F. Braun and Co. moved into an air conditioned new building, reports a 35% increase in efficiency of 575 white collar workers.

And there's no end to similar stories.

Educators have found that students learn more quickly in environments which are properly controlled. And this is particularly true of children who may learn to read twice as fast in classrooms at 70 deg. than at 80 deg.

COSTS

Central air conditioning of homes has lagged because many people believe it's too costly. But is it? This is what a study disclosed:

For typical $15,000, $25,000 and $45,000 homes, a complete air conditioning system adds about $16, $21 and $34 respectively to the monthly mortgage payment.

With increased productivity ranging from less than 1% to just over 3% the cost of owning and operating a complete air conditioning system will be amortized in 20 years in both new and existing factories, office buildings and hospitals.

In a typical 400 sq. ft. apartment unit, an annual rent increase of $38 in a new building and $52 in an existing one would pay for air conditioning.

Age of building is no deterring factor.

For instance, during the past three years **McArthur-MacKinnon Ltd.** has carried out a step-by-step modernization of the 47-year-old **Montreal Trust Co.** building in Toronto. Each floor or department has its own air conditioning system, designed for specific conditions.

NEW DESIGNS

Exciting developments and new designs in air conditioning and refrigerating equipment are constantly being introduced.

John Inglis Co. reports that its packaged incremental air conditioning system (incorporating equipment for both heating and cooling) for multi-room buildings has been installed in **Royal Insurance Co., Foxboro Instrument Co., Sylvania Electric Co., Canadian Car Co., Carbide Chemicals Co.** and others.

Canadian Ice Machine Co. reports that it offers an absorption refrigeration system using a lithium bromide solution. Packaged units range from 100 to 750 tons.

Some absorption systems operating in Canada are at **Polymer Corp., Canadian Chemical Co.,** and the Newfoundland government's new fish freezing plant at La Scie.

Canadian Westinghouse and **B. F. Sturtevant** have redesigned their precipitron electronic air cleaner, say it removes 85% to 95% of air impurities.

Precipitron air cleaners have been installed in **Confederation Life, Imperial Oil, McColl-Frontenac Oil** and other buildings.

Since World War II the electronic air cleaning industry in Canada and U. S. has grown to an annual market of about $6.5 million. Predicted expansion is for at least four times in the next five years.

Although it adds nearly 20% to the cost of a new building, air conditioning is the choice of more and more people erecting hotels, apartment and office blocks.

They find it means increased rentals, slower depreciation, reduced redecorating costs, greater attraction for tenants.

BIG OPPORTUNITIES for refrigeration manufacturers: The booming supermarket industry.

Immersion Freezing

Answer for Poultry Industry?

How to preserve light and pleasing flesh colors in frozen poultry in the face of higher scald temperatures now being used in industry?

That was the problem facing poultry packers.

The answer seems to have been found in liquid immersion freezing.

The use of a liquid rather than air has the added advantage that it offers a more efficient use of refrigeration capacity because of the better heat transfer properties.

As a result, a number of plants throughout Canada, including at least four in Ontario, are now employing this method in preference to older techniques such as air blast.

Higher scald temperatures, around 140 deg. F. produce reddish birds that tend to darken quite noticeably on exposure to air.

This is especially the case when modern scientific feeding techniques have been employed to reduce the amount of subcutaneous fat.

Instead, the flesh tends to remain almost white in color when treated in a freezing bath.

A series of experiments along these lines carried out by the Division of Applied Biology of Canada's National Research Council have been described in detail in the U. S. journal Food Technology by C. P. Lentz and L. van den Berg.

Great Possibilities

They clearly indicate that there is a big future for the new technique.

Lentz and van den Berg set out to answer some of the more immediate questions about immersion freezing of poultry:

- Factors affecting appearance of frozen birds.
- Factors affecting freezing time.
- Immersion time required for retention of optimum appearance in birds subsequently placed in air blast.
- Comparison of immersion, liquid spray and air blast freezing.

The procedure they used was to employ a 50% by volume methanol solution in a cylindrical 50-gal. tank equipped with a direct expansion cooling coil and a small agitator that provided sufficient circulation to reduce temperature variations to 1-2 deg. F.

A wire frame was used to ensure that all birds were placed in the same position.

When spray freezing was tested the birds were placed in a spray from four nozzles under 20-60 lb. pressure.

In the air blast experiments the birds were on shelves. Air velocities were from 300-500 fpm.

Birds used were normally 4-6 lb. white-skinned grade A 128-130 deg. F. scalded, eviscerated vacuum - packed chickens or turkeys of similar quality weighing 14-15 lb.

Giblets were wrapped in paper and placed in the body cavity.

Temperatures were measured in the thickest part of the breast, in body cavities and under the skin.

Thermocouples were used to measure these temperatures and leads were taken out through the end of the bag, which was sealed by twisting and tying.

Except where the effect of high initial temperature was being studied, all birds were frozen from an initial temperature of 32-35 deg. F.

Observations were made of the time taken for the temperature to fall to 25 deg. F.

All birds in each of the series of tests were stored afterwards at 20 deg. F. until the series was completed, to facilitate comparison, and all were examined together.

The Results

From these tests it was seen that optimum appearance of immersion - frozen poultry, was produced by freezing in a moderately agitated methanol bath at —20 deg. F.

The uniform, chalk-like appearance of immersion-frozen poultry was found to be mainly due to the opacity of the frozen skin rather than to any change in color.

Immersion times of 20 min. for 4-6 lb. chickens and 40 min. for 15 lb. turkeys were required to ensure retention of optimum appearance in birds subsequently placed in an air-blast freezer.

Initial temperature of the birds had a marked effect on freezing time and appearance after freezing.

Optimum appearance was retained in storage at +20 deg. F. for two weeks, at 0 deg. F. for six weeks, after which a slight change was noticeable and at —20 deg. F. indefinitely.

Using air blast freezing, it would seem, an appearance similar to that produced by immersion freezing at —20 deg. F. could be obtained by air at —100 deg. F. At —40 deg. F., however, the appearance was "noticeably different."

Discussing their results, Lentz and van den Berg say that the color of skin itself did not change at any temperature during freezing but its opacity did depend on freezing conditions, quick immersion producing the white chalky uniform appearance.

Yellow-skinned birds had the same characteristics of opacity and uniformity but their color depended on the amount of yellow pigment in the skin.

Birds frozen at +10 deg. F. had a blotchy, somewhat transparent appearance but opacity and uniformity increased with decreasing freezing temperature down to —10 and —20 deg. F.

Surface blemishes such as bruises or redness due to poor bleeding were reduced in intensity by increased rate of freezing but were not eliminated, whereas other subsurface conditions such as lack of fat were masked by opacity.

Spraying the birds with liquid under pressure at —10 deg. F. produced approximately the same results as immersion at 0 deg. F.

The length of time that birds retained their original frozen appearance in storage depended on the storage temperatures.

Birds held at +20 deg. F. changed to a light tan color within two weeks and birds held at 0 deg. F. had changed slightly after 5-6 weeks but no further changes took place in the next six weeks.

At —20 deg. F. no change was apparent, even after 12 weeks.

The Heat Pump

Cools, Warms Simultaneously

People, lights, office and industrial machinery — even livestock — are being used to help heat other places.

An ingenious heating-and-cooling method known as heat pump is doing the job.

Its principle: Take heat from some natural source, such as air or water, instead of converting fuel energy, as in the case of a furnace or conventional electric heater.

Consider the farmer with a well-insulated barn for cattle or pigs:

The animals may be producing more than enough heat to keep the barn warm in winter. With a heat pump, the farmer could utilize the heat while eliminating the odor—and use it to warm his house.

A more likely place might be a department store where crowds and intense lighting create such large amounts of heat that cooling is required even in winter.

In this application, cooling the air is actually a process of extracting heat which can be sent to office spaces or other areas where it is needed.

Similar applications are possible in industrial plants when machinery processes involving heat may create unpleasantly high temperatures.

A heat pump system can cool the plant and warm the offices simultaneously.

Almost anything might serve as a source of heat — even a block of ice possesses heat — but the most practical sources to date are water and air.

The most fascinating aspects of such a system is actually taking heat from another substance rather than converting fuel power into heat — thus getting something for nothing.

A water-source heat pump might produce as many as seven units of heat energy for every unit of electrical energy put into the system.

A common approach is simply to draw outside air over a coil where heat is extracted by refrigerant evaporating inside.

The heat may then be discharged into the conditioned space through forced air ducts or through warm water piping connected to air conditioning convectors in each room.

The easiest way to describe the internal workings of a heat pump system is to follow the path of heat through a conventional air conditioning installation.

Indoor air at 78 deg., for example, is passed over a cooling coil with refrigerant inside.

The refrigerant evaporates at 45 deg. and the heat from the air transfers itself to the refrigerant because the heat is "flowing" downhill from the medium at a higher temperature to lower. Thus the inside air is cooled.

The refrigerant vapor is drawn into a compressor where it is squeezed by a piston inside a cylinder. This compression also increases its temperature to about 115 deg.

The hot compressed refrigerant is now passed to a coil with outdoor air passing across it at 95 deg.

Flowing Heat

Heat again will flow downhill from the refrigerant to the air, heating this latter medium up to 105 deg.

In the process, the heat has been absorbed by a refrigerant in the cooling coil at 45 deg. and rejected to the outdoor atmosphere at 60 deg. higher.

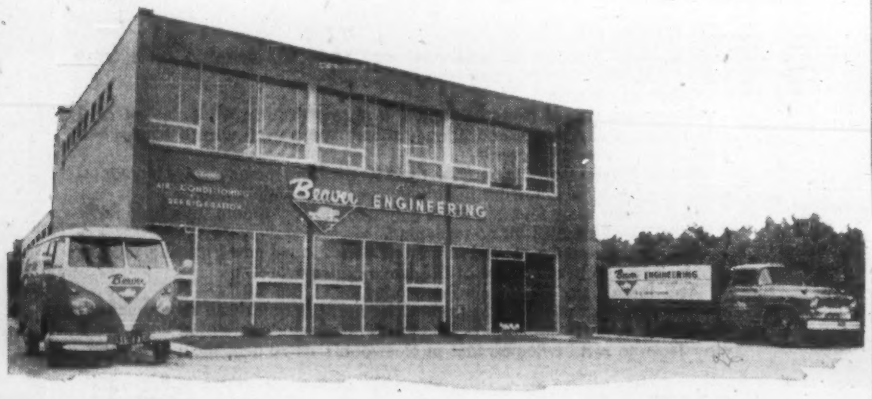
When a heat pump goes into winter operation, the function of the two coils is reversed.

The outdoor air coil becomes the cooling coil. Outside air at perhaps 45 deg. gives up heat to a refrigerant evaporating at 25 deg. Refrigerant temperature is raised to 110 deg. in the compressor and so can heat room air passing over the inside coil to 85 deg.

"Every building presents a different situation which must be analyzed in terms of its own requirements for heating and cooling, fuel-electric cost ratios and many other factors to determine the best approach to year-round air conditioning," says J. A. McNight of **Carrier Engineering Ltd.**

Canadian Ice Machine Co. points out that an air-source heat pump produces clean heat without flame, eliminates fire hazard and insurance of boilers; reduces smoke hazard; and doesn't require chimneys.

For a conventional office building with complete year-round air conditioning, an air-source heat pump is said to reduce the cost of operation by 15%.



Keeping GOOD COMPANY

This may sound like an ambiguous statement, but not when applied to Beaver Engineering Company and their impressive list of clients.

"Keeping good Company" may be taken two ways, not only does Beaver Engineering serve most of the top names in Industry and Commerce—but they also "keep" their company, in the form of continuing service and repeat business.

This shows the mutually sincere relationship which exists between Beaver Engineering and their clients, a partial listing of whom appears at the right.

It has always been good business to deal with a reputable and competent firm, particularly where engineering, design, installation, and service of Air Conditioning Systems, is involved. Justifiably Beaver Engineering are proud of their past record of repeat business from their many satisfied customers.

"Air Conditioning is the sole business of Beaver Engineering and for you they have developed an exceptionally high calibre of ENGINEERING, INSTALLATION, and SERVICE facilities".

HERE IS A PARTIAL LIST OF THE GOOD COMPANY WE KEEP

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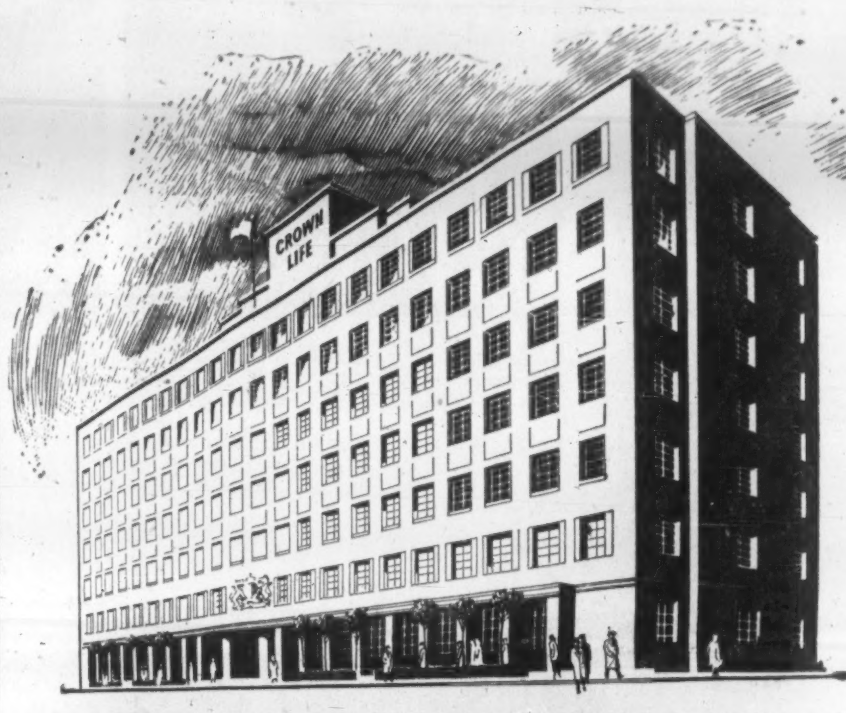

THE CROWN LIFE BUILDING PROVES
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AIR CONDITIONING THAN COOLING!

Architects: Marani & Morris.
Consulting Engineers: H. H. Angus & Associates Ltd.

When "Air Conditioning" is mentioned most people think first of cool comfort in hot weather. Certainly this is the most obvious and dramatic benefit. But Carrier Air Conditioning is an all-year investment in livability and employee efficiency . . . as Toronto's Crown Life Building proves.

Here is an excellent example of Air Conditioning doing a *complete* job, because it was *planned* that way.

Whether you plan to build or remodel a multi-roomed, multi-storied building call on Carrier for expert advice.

In the Crown Life Building the Carrier Modular Weathermaster Units were installed. New under-the-window units with their modular components fit into a variety of combinations—decorative ledges, built-in cabinets and modern bookcases.

These are only a few of the buildings which incorporate the Carrier Modular Weathermaster System:

- Queen Elizabeth Hotel, Montreal
- Continental Casualty Building, Toronto
- Bank of Canada, Toronto
- Imperial Oil Engineering Building, Sarnia
- St. Boniface Hospital, Winnipeg
- Devonian Building, Edmonton
- Burrard Building, Vancouver

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AIR CONDITIONING • REFRIGERATION • INDUSTRIAL HEATING

Hot Potential in Frozen Foods

The problems and economics of frozen food storage are being studied as never before. There are many good reasons why.

Says **Dunham-Bush (Canada) Ltd.**:

"The refrigeration industry expects that the use of frozen foods will double in the next few years."

Hussmann Refrigerator Co. notes that in Canada retail merchandising of foodstuffs for 1957 totaled approximately $2.7 billion of which nearly 40% was in perishables requiring storage and display at retail level.

Says Sales Manager Paul R. Ramage:

"The supermarket movement, particularly, presents wonderful opportunities for manufacturers of refrigerated display equipment, walk-in boxes, shelving, mechanical checkouts and other items."

Today's quick frozen fresh foods require warehousing across Canada under conditions of constant low temperature and high humidity.

The past 10 years have seen a great deal of new construction of this type from coast to coast.

Some examples of public-type plants which deal with huge quantities of these products in the new form:

York Farms Ltd. opened in Toronto last year what is believed to be the largest freezer warehouse in Canada. **J. H. Lock and Sons Ltd.** installed refrigeration for approximately 700,000 cu. ft. of —10 deg. single-storage room and —25 deg. storage for ice cream products.

John Inglis Co. supplied a two-stage ammonia refrigeration system for York Farms' Burford, Ont., frozen-food processing plant for peas, corn, lima beans and other vegetables.

Interprovincial Freezers Ltd. plans to start construction of a $1-million public quick-freezing food plant and refrigerated warehouse at Chatham, Ont.

Willis McLeese, president, says the Chatham unit is expected to encourage a substantial increase in Canadian production of quick-frozen fruits and vegetables.

Imported from U. S.

At present, with the exception of quick-frozen citrus juices which cannot be produced in Canada, 50% of Canada's consumption of frozen fruits and vegetables are imported from the U. S.

The new freezer plant and warehouse, Mr. McLeese says, should encourage an increase in Canadian production of these items by several million pounds.

During the six years prior to 1951, Canada produced almost all of her requirements in frozen fruits and 90% of her frozen vegetable consumption.

Yet in 1955, with a rapidly developing market, only 41.5% of the nation's consumption of quick-frozen vegetables were home produced, the remaining 58.5% being U. S. imported. Forty per cent of the frozen fruits bought in Canada were home produce and the balance imported from U. S.

Recent growth of frozen-food sales on this continent is the result of a revolution in the production and distribution of perishable foodstuffs which has occurred over the past 10 years and is continuing today.

The popularity of frozen foods lies in the fact that they are preserved in the garden-fresh state unless, for convenience, they are cooked prior to quick freezing as with meat pies and fish sticks.

This change in dealing with perishable food products has not been possible without the development of many new types of mechanical refrigerating equipment.

Form of this equipment varies greatly, depending on the particular food products it is designed to freeze.

Well Designed

Canadian engineers have been skillful and effective in designing individual machines capable of being manufactured in Canada for our market as well as in the designing of complete systems of refrigeration.

Because Canada has lagged five to 10 years behind the U. S. in development of consumer acceptance of frozen foods, designers in this country have been able to profit from the earlier mistakes of others and to initiate new developments and improve on older ones.

EFFICIENT STORAGE of meat and other perishable products is big factor in the refrigeration industry's bright growth potential.

Practically all the new refrigerating systems in Canada installed in the past decade have been designed by Canadians.

Individual components of those systems, built to Canadian designs, are now being sold in Europe and in the U. S.

With better refrigerating equipment, meats, fruits, vegetables, soups, pies and other baked goods look better, taste better, and each year are costing less, thus dropping out of the strictly luxury category.

The housewife in this country is beginning to realize that meat cuts can be better and more economically trimmed in a production plant than is possible on the old style butcher store wooden block.

Restaurants and institutions are aware of the importance of knowing how much "edible" meat they are buying when they make a meat purchase. Cost per serving is known with prepackaged quick frozen meats.

Vegetables, such as peas, can be more closely graded after removal from the pod than is possible in the so-called fresh state.

The fresh quick frozen graded product reaches the housewife in better condition more often than does the same product when the freshness has been permitted to deteriorate in transit.

Many of these fresh quick frozen foods are competitive in price with their pre-cooked canned counterpart, when pound for pound of drained weight is considered.

Revolution Upon Us

Mechanical refrigeration has been highly developed in recent years. Capacity has been installed in Canada to permit the changeover from canned foods to frozen foods and from butcher block meat cuts to factory prepared quick frozen quality meat cuts.

The frozen food revolution is upon us in Canada and will result in better food for more Canadians, more leisure for housewives, better economics through reduced waste and new markets for many new pre-prepared specialty food products.

Let's look at the future and examine points that may show up production trends:

—Prospects are favorable for continued rapid growth in production.

—Innovations in technology and marketing may bring rapid increases in the output of frozen meats and other foods now frozen in comparatively small volume. Such products may account for much of the increase in the future.

—Growth in the population consumer income and the demand for convenience foods probably will expand the market for frozen foods.

Frozen meats at present constitute a small part of the total food output and total meat production.

In the near future, various types now being developed and marketed may offer the largest potential growth to the frozen food industry.

Some of the large processors have been conducting surveys to determine the potential of these products.

Some people connected with meat marketing expect that as much as 20% of the volume of steaks, chops, and roasts sold in retail stores will be in frozen form in a comparatively few years.

Prepared frozen foods are at one time the growth factor and the problem of the industry. There are more small businessmen getting into this portion of the industry than any other place in the food business.

The growing acceptance of convenience products, stimulated by rising real incomes and increased urbanization is likely to bring more differed products into this market and larger sales for this group.

Containers Cut Down The Costs

Perishables are being transported in a unique way into the Canadian North by the **White Pass and Yukon** route.

(WP&Y identifies the co-ordinated transportation service furnished by four separate but jointly managed transportation companies with headquarters in Vancouver).

To meet accelerated competition and rising costs, WP&Y instituted a co-ordinated service using standardized steel containers which are moved by truck, by ship and by rail from Vancouver to Whitehorse in the Yukon Territory.

Provision is made for three general categories of cargo:

- General dry cargo (hardware, dry goods, etc.).
- Perishables, which are refrigerated or in some cases heated in cold weather to prevent freezing.
- Explosives (for mining and construction industries).

Containers are loaded and sealed in the shippers' premises in Vancouver and moved by low-bed truck to the dock.

By Ship, Rail, Truck

They are then unloaded by high-lift fork-trucks and subsequently loaded into the hold of the specially constructed cargo ship, Clifford J. Rogers, for shipboard movement to Skagway, Alaska.

At Skagway the containers are reloaded onto flat cars, three per car, for movement over the 111-mile railway to Whitehorse, the roadbed paralleling the historic Trail of '98 of Klondike gold rush fame.

At Whitehorse the containers are moved into warehouse or to the customers' receiving door.

Freight is thus transported under somewhat adverse conditions with a minimum of handling, at the same time guarded against breakage and pilferage by the steel containers.

Of particular interest to the refrigeration and air conditioning industry is the provision for transportation of perishables.

Of a total of 590 containers, 230 are insulated and designed either for protection against freezing or for refrigeration.

Refrigerated cargo may be carried at 38 deg. F. (non-frozen) or at below zero temperatures for ice cream and frozen food. Temperature range selection is made by a simple change-over toggle switch to cooler or freezer position.

Each refrigerated container is equipped with its own electrically driven condensing unit and freezer plates.

At the dock, either in Vancouver or Skagway and on board ship, the compressors are operated by connection to electric outlets conveniently located.

During the relatively short rail trip, the refrigerated perishables are protected by the insulation and the "hold-over" refrigerating capacity of the freezer plates, a product of **Dole Refrigerating Products**, Brantford, Ont.

Heating during the winter is accomplished by use of alcohol heaters.

Design and construction of the containers for perishable cargo was a collaborated effort of **Rice and McIntosh Refrigeration Ltd.**, **Western Bridge Co.** and **Dominion Construction**, all of Vancouver.

OUR BUSINESS IS
Keeping things
COLD
REFRIGERATION
AIR CONDITIONING

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Your inquiry about Refrigeration or Air Conditioning Equipment will receive prompt attention.

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BRANTFORD — ONTARIO

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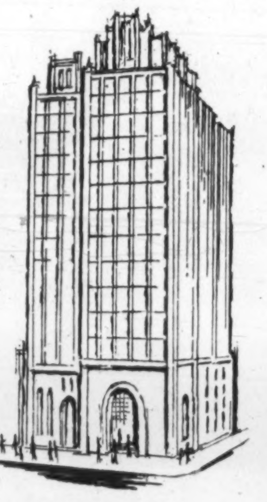


THE Remington INCREMENTAL SYSTEM
Heats, Cools, Dehumidifies, filters

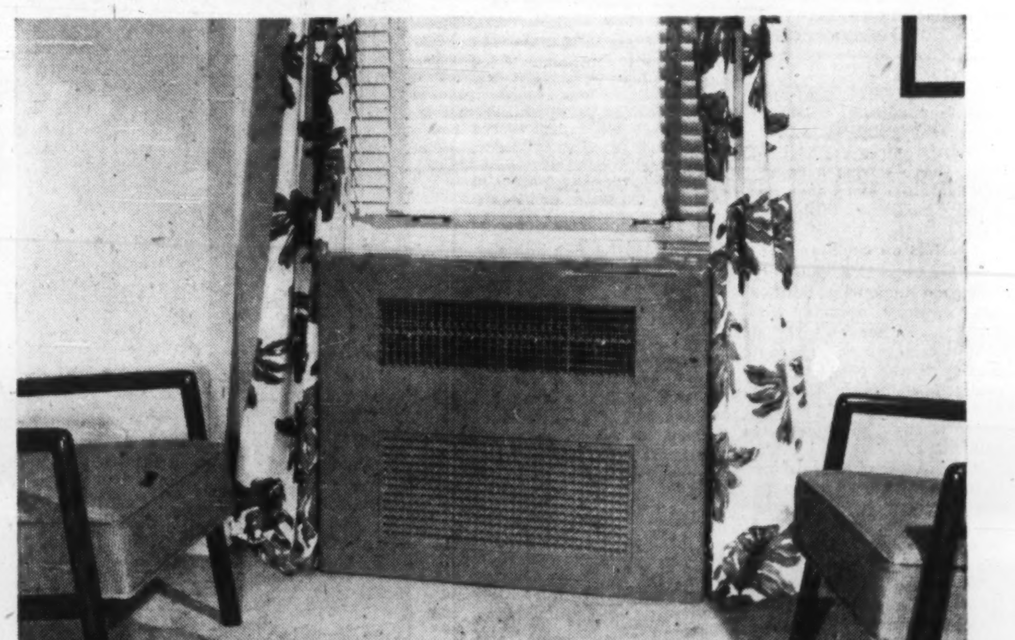
WHAT IT IS—A "Conditioning Convector" containing its own compressor and cooling system, and connected to the central heating system. With this single convector, every room of a multi-room building can have both cooling and heating, *all under the control of the room occupant*. This is a permanent fixture, usually fitted through the wall, unlike unsightly, short life, one purpose window units. Like a modern refrigerator, it does not require any piping for cold water inlet or outlet. The Remington system can be installed quickly and inexpensively in existing buildings. For new buildings it is definitely the complete air conditioning system of the future . . . available now.

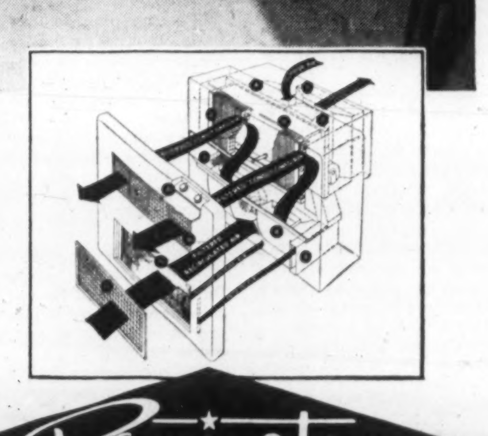
WHAT "INCREMENTAL" MEANS—The Remington System can be installed in increments of one floor or one wing at a time, depending on your budget. During installation, only one room at a time need be disturbed and that only long enough to connect to your steam or hot water system. It may be installed as a heating unit only, in the first instance, and the cooling unit added later when you want it. It is the most completely flexible system, for true air conditioning all year 'round, that has yet been devised. And it offers previously impossible economies to the alert building owner or operator.

APPEARANCE—The Remington "Conditioning Convector" is a handsome addition to the decor of the finest room . . . unobtrusive both within the room and outside the building. When used to replace an existing radiator the conditioning convectors often occupy less space than did the radiator itself and in addition will cool, dehumidify and filter air in summer, all simply controlled by push buttons in the unit.

QUIET—The "Conditioning Convector" is a quality product with adequate sound baffling throughout. The compressor and fans are practically noiseless, so that the lightest sleeper will not be disturbed.

ABOUT COSTS—Savings up to 20% in cost of steam or hot water have been obtained with Remington installations. With air temperature in each room under the control of the room occupant, the wastage of the usual central system is avoided. No duct work, cooling tower, pumps and thousands of feet of water and drain piping are required. By doing the job in increments, the first cost can be spread over a period of years, with operating savings every year. No licensed engineer is required to operate the cooling system. And it is *guaranteed for five years*. The installed cost of the Remington Incremental System, including wiring, usually ranges from $550. to $700. per ton of refrigeration. For a central cooling system the cost may run from $900. to $1500. per ton.





WRITE FOR LITERATURE

Tables showing total costs for periods of 5 to 20 years are available, also information on every phase of the Remington System. It offers so many outstanding advantages to architects, owners and operators of hotels . . . motels . . . hospitals . . . offices, and to heating and air conditioning contractors, that you will want to know all you can about this new Remington System. Write now.

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AIR CONDITIONING
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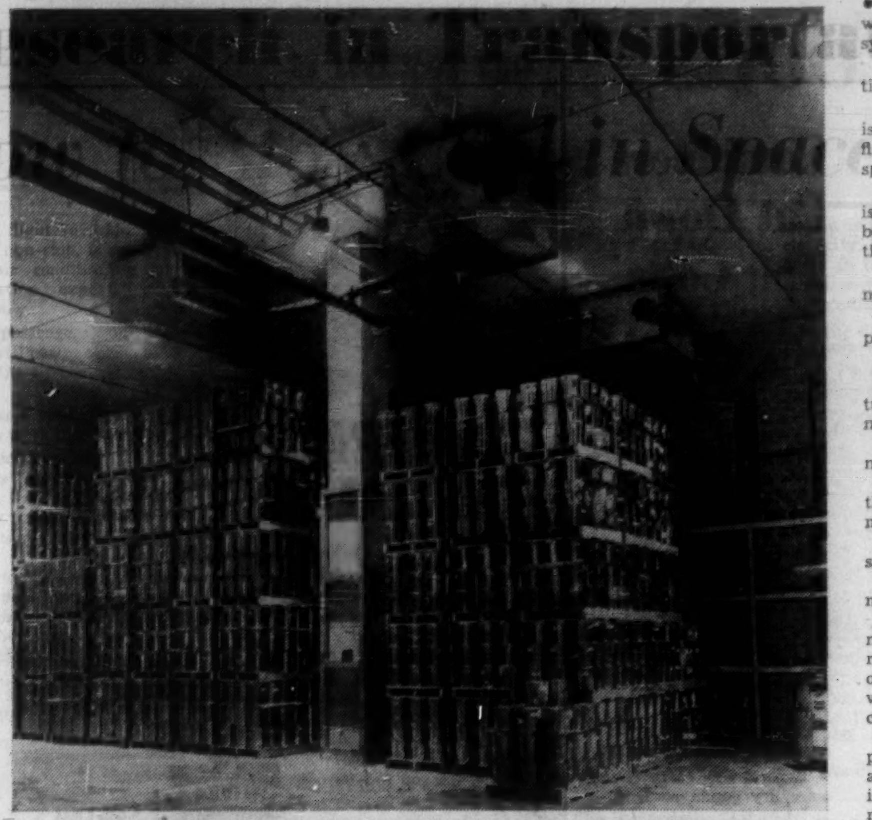


INSIDE YORK FARMS LTD. new freezer warehouse in Toronto. It is one of the largest in Canada, with about 700,000 cu. ft. of —10 deg. storage.

Danger of Dry Air

The Cure: A Humidifier?

By ALAN G. ODDIE

Next time a cold front hits your area — expect to find some empty places in the office a few days later.

Hard on the heels of the front there's liable to be a round of 'flu or common cold.

Falling temperature is only the first cause.

The second villain is dry air.

As temperature falls, moisture drains away from the air leaving ideal conditions for the spread of airborne infection.

Inevitably, cold air outside means dry air inside and dry air is a powerful ally of colds, 'flu and sinus ailments.

Recent research has shown that airborne germs live indefinitely in dry air but die off as humidity is increased. Dry air also aggravates rheumatism and upsets the nervous system.

It's bad for rugs and wooden furniture, books, pianos and paintings.

There's ample evidence to show that — from a health standpoint — damp days are better medicine than dry ones.

Bets on Sniffles

At least one U. S. company bets good money that sniffles and scratchy throats will follow a cold wave.

Manufacturer of a patent cold cure, the company has retained a private weather forecasting outfit to give advance warning of impending cold snaps.

When a temperature drop is forecast for a certain area the company schedules a heavy newspaper advertising campaign to keep pace with the weather.

The colder the weather, the dryer it gets indoors.

Go to Ottawa in January when the temperature averages 10 deg. and you'll probably find the business of government being conducted in a desiccating 5½% relative humidity.

King Saud's camels never had it so dry. Even in the middle of the Arabian desert they're used to comparatively moist 25%.

Death Valley, with the driest natural climate in North America, averages 23% relative humidity.

Only in exceptional circumstances and for short periods does nature rival the indoor deserts of Canada.

Here's how prolonged exposure to dry air can affect us:

Health:

Dry air encourages the spread of colds and 'flu in two ways:

Not only do germs stay alive longer in dry than in damp air but our own personal filters (the nose and throat) operate less efficiently in dry air.

There is a kind of escalator system in the nose which needs moisture to function properly.

Thousands of tiny hairs and a thin layer of mucous trap dirt and germs from the air we breathe and propel it harmlessly out of the body via the throat.

Since mucous is 96% water, the dustbowl conditions of winter dry it out and prevent it from doing its escalator act.

Furniture and Woodwork:

Wood is very sensitive to changes in humidity.

In dry air wood loses moisture and shrinks so that joints of tables and chairs wobble dangerously, veneers crack and peel, inlaid wood becomes loose, doors lose their shape and floors separate.

This is not the fault of the lumber merchants.

All they can do is try to season the wood to a point somewhere between the high humidity of summer and the bone-dry conditions of winter.

It so happens that the recommended minimum for health (40%) is ideal for wood.

Most lumber companies season wood for indoor use to 8% moisture content.

At this level the wood is in equilibrium with air at 40% humidity so it neither shrinks nor swells.

Carpets:

Dry air shortens the life of carpets by embrittling the surface fibres which then crack under foot.

Books and Paintings:

Book bindings may break down because the glue tends to dry out.

Dry air cracks the paint and varnish of paintings and warps the frames.

When the $20-million collection of Dutch Masters was on loan to the Toronto art gallery in 1955 it had to be protected by 20 humidifiers.

Loaned by Dominion Electrohome, these units put a total of 300 gals. of water per day into the air.

Pianos:

Changing humidity makes work for piano tuners.

Pianos tend to go sharp in summer, flat in winter because the soundboard alters its shape.

In summer it soaks up moisture, swells and puts the strings under tension.

In winter it dries out, shrinks and slackens the strings.

Comfort and the Fuel Bill:

During the war **Imperial Oil Co.** advised all its fuel oil customers to boost humidity and thus save fuel and increase comfort.

The fuel savings are not as great as might be expected, but there's no doubt that it is possible to feel more comfortable at 40% humidity and 70 deg. than at 15% and 80 deg.

Dry air makes us perspire and since perspiring cools the skin, we demand higher temperatures as the air gets dryer.

But the higher the temperature the dryer the air becomes . . . and so on.

Raising the humidity lets us notch back the thermostat several degrees but some of the heat saved is now used to evaporate the water into the air to produce the higher humidity.

Choosing a humidifier is less simple than choosing an air conditioner (or any other appliance).

One brand of air conditioner differs from another only is in size, styling and price.

They all function alike.

Humidifiers, however, operate on one of two entirely different principles each having advantages and disadvantages.

Then there are two distinct classes of humidifier.

- **Console or table top** models that go in the office or living area of the home.
- **The plenum type** used with a warm air heating system.

The two methods of operation are:

(1) **Direct, in which water is mechanically atomized and flung into the air as a fine spray.**

(2) **Indirect, in which air is blown over a wet surface before being discharged into the room.**

Advantages of the first method are:

1. No wicks to clean or replace.
2. No draft.
3. Constant output of moisture regardless of air movement or dryness.

Advantages of the indirect method are:

1. They circulate and filter the air as well as adding moisture.
2. They can be used in summer for spot cooling.
3. Fan speed (in some makes) can be regulated.

Sometimes the air movement produced by the indirect type humidifier can be objectionable. It depends when "air movement" becomes "a draught."

Some makes overcome the problem by discharging the air upwards through a grille in the top of the cabinet rather than horizontally through the front.

Choice of a humidifier depends partly on how the room or building is heated.

With hot water or radiant heating it has to be a console or table top humidifier.

With warm air heat it can be a plenum type that fits into the furnace or a console or table top unit.

The most commonly used humidifier is the inexpensive "plate and pan" type installed in the warm air furnace.

Costing about $15 and up, these are often unsatisfactory for these reasons:

(1) They are generally under-sized.

(2) They can add moisture only when the furnace blower is operating.

(3) Being out of sight, they seldom get the regular maintenance they should have.

(4) As the porous plates get clogged with minerals, the efficiency falls off rapidly.

About $15 buys a highly efficient furnace humidifier in which the water flows by gravity onto the evaporating plates instead of having to climb up the plates by capillary action.

The water flow is automatically controlled by a solenoid valve linked to a humidistat.

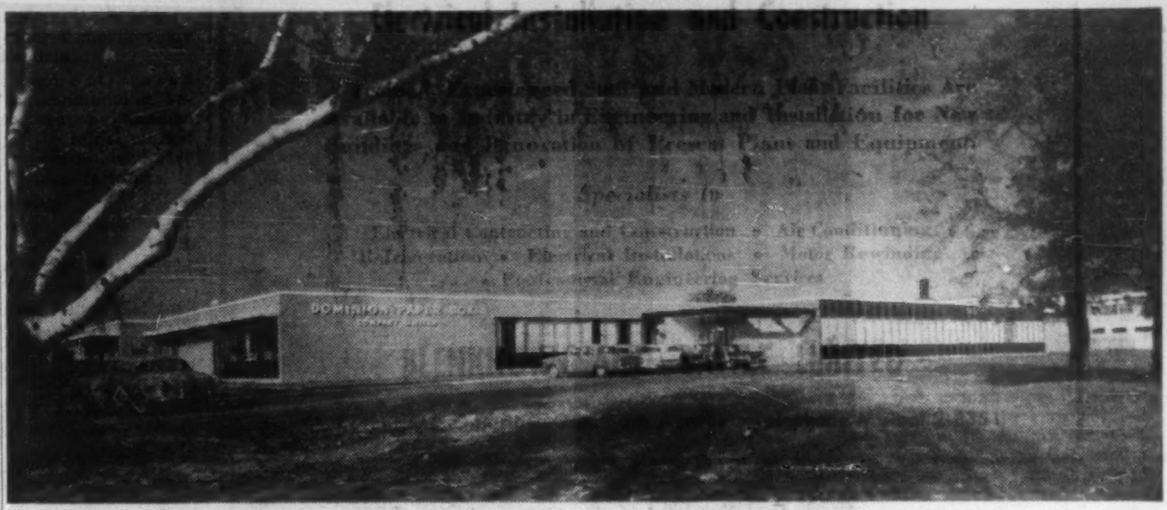
Capacity is up to three and one half gallons per hour.

Console and table top humidifiers are available with either direct or indirect method of operation.

They cost from $40 to about $250 and may be used with or without a humidistat.

Running cost for most models is about equal to that of a 40-watt light bulb.

another outstanding result of our PACKAGE PLAN



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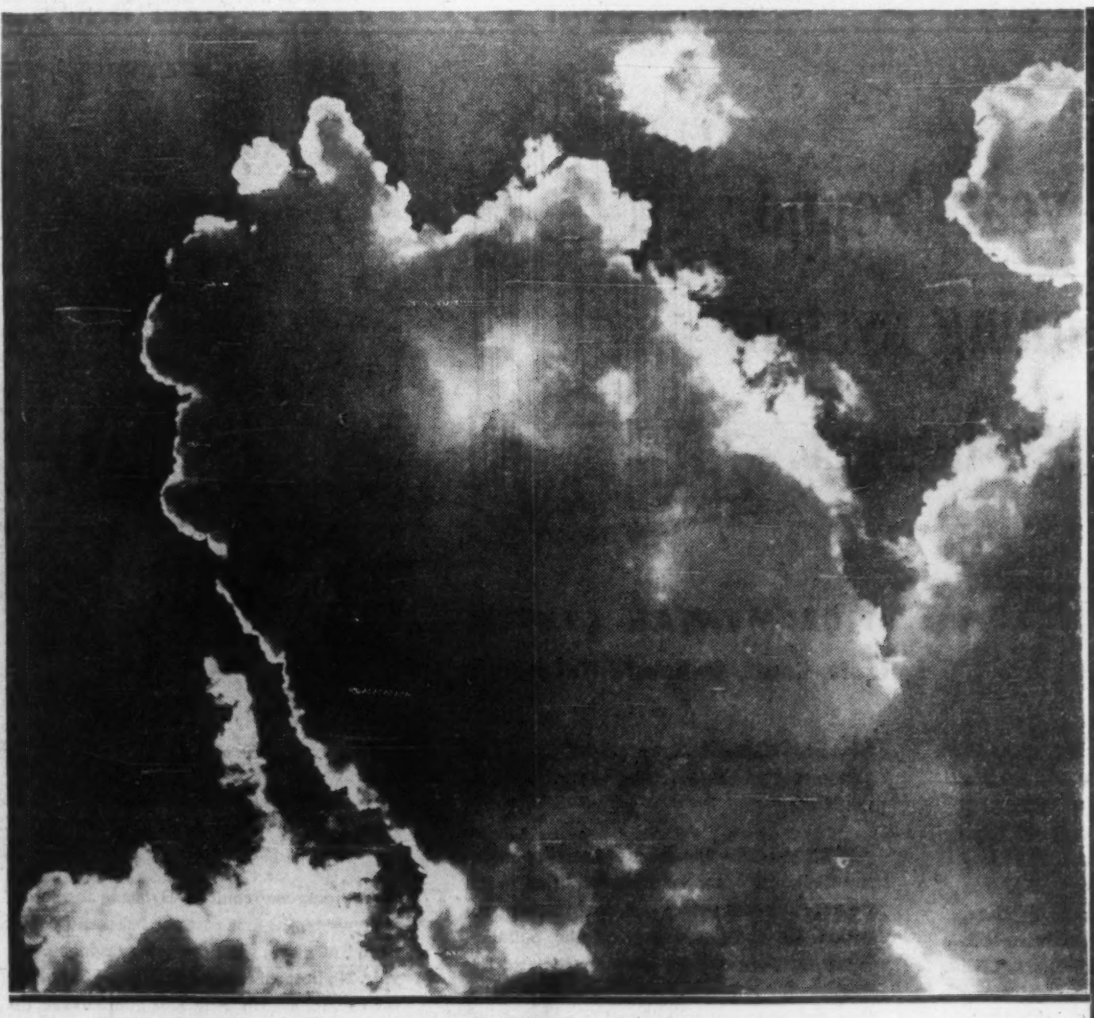

Air...

It is a fluid yet not a liquid . . . you can feel it yet not touch it . . . it can be zephyr, breeze, wind or cyclone. Noisy or quiet, playful or vicious.

A great mixer, air is never found alone. It carries germs, pollen, odours and noxious gases as readily as it carries the breath of flowers.

But . . . Trane can heat it, cool it, wet it, dry it, filter it, purify it, move it or mix it. Trane can work near-miracles with air.

TRANE AIR CONDITIONING IS CANADA'S FIRST CHOICE

To develop the latest and finest equipment for air conditioning, Trane designed and built the *"House of Weather Magic"* — a laboratory devoted exclusively to the science of conditioning air.

Here, engineers create test conditions matching and exceeding those of Nature. Temperatures from the deepest freeze to the hottest bake . . . controlled wind velocities of hurricane strength . . . special chambers of silence to test for whisper-quiet operation.

Every Trane product owes its birth to such research. Little wonder, then, that Trane air conditioning equipment has become the first choice of Canadian architects, engineers, businessmen and builders.

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Manufacturing Engineers of Air Conditioning, Heating, Ventilating and Heat Transfer Equipment

Research in Transportation

How to Stay Cool in Space at Mach 25

When flight 767, Montreal to Mars non-stop, is ready to leave, air conditioning and refrigeration experts can take a bow.

The passengers on that flight will owe their very lives to the air-cooling equipment.

This is a vital part of the research work that lies ahead.

Air conditioning on the move is already commonplace by rail, air and sea. It is being used in buses and cars with increasing frequency.

Experts estimate to get a load of passengers out of the earth's orbit and across space to another planet, speeds of Mach 25 will have to be reached.

Mach is the term for compressibility, or the speed of sound.

High Mach numbers produce awesome heat problems.

A mere Mach 1 causes a steep rise of 100 deg. F. in temperature. Mach 2: 400 deg.

Heat Problems

Engineers say Mach 25 could cause a 50,000 deg. heat rise.

Once out in space speed friction ceases to be a problem in the rare atmosphere, but an object facing the sun would experience thousands of degrees of heat, while its shaded side would shiver in minus 27 deg.

Merely to keep the instruments and moving parts working would be a big enough problem, but to keep humans alive—that will be a major transportation project.

Even in today's conventional travel, some serious problems have been met and overcome. Very sophisticated equipment is already in use.

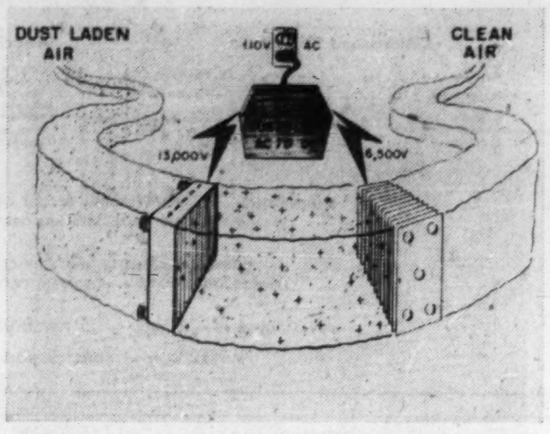
Airlines.

Examples are **TCA's** Vickers Viscounts.

Like a house, the plane has to face winter and summer conditions. In winter there is the problem of trying to keep an empty aircraft warm, while on the ground awaiting passengers. In summer it must be kept cool in anything up to 95 deg. direct sun.

Under both conditions aircraft temperatures are maintained at 70 deg.

For summer operations there is a 20-ton cooling unit which can bring the temperature of the aircraft down by 20 deg. in one hour.



HERE'S HOW DUST-LADEN air flows through a 13,000 v. ionizer section of Honeywell's electronic air cleaner system. Positive charged dust particles are attracted to negative (6,500 v.) collector plates, can be washed away by a water spray.

The aluminum surface of the aircraft also reflects some of the sun's heat. This is one reason why the top of the cabin is painted white. Once the aircraft engines have started, a 15-ton aircraft refrigeration unit can be brought into action.

Climate Changes

In winter the aircraft's heater, which produces some 300,000 btu, can be operated while the aircraft is on the ground. This heater has about two to three times the heating capacity of an average house heating unit.

Three cabin superchargers compress the ambient air, and by the time it has reached 14 lb. per sq. in., the temperature will have risen by 90 deg.

In summer this air is taken through a first stage inter-cooler, then passed through a cooling turbine, which again increases the temperature of the air slightly, before the air is passed through a second stage inter-cooler.

These coolers are really heat exchange units and the cold air is provided by the outside air passing around the pipes containing warm and pressurized air. After the second stage inter-cooler, the air is passed through a "boot strap" unit — so-called because it generates its own power—and, being allowed to expand in the pipe, drives the cooling turbine.

From the boot strap unit the air is passed straight to the individual cabin louvres, providing small jets of air which passengers can use to their own convenience.

Usually, the outside atmospheric temperature is fairly low so that air coming from the air compressors can be used directly, or can be sent through the heating unit to reach required temperature.

This air, heated, unheated or cooled, is delivered to the passenger cabin through individual vents along the base of the walls. Cool air comes through individual outlets above the windows.

The duct which supplies the conditioned air continues forward to the flight deck where it terminates in foot warmers for the pilots.

Railways.

In the midst of new air-conditioning installations in hotels, data processing centres, dinette cars, telegraph operating rooms and offices, R has one apparent anomaly. The railway maintains a complicated temperature and humidity control system set to turn out decidedly uncomfortable warm-damp air 24 hrs. a day.

The apparatus is located in its test and materials research laboratory at Montreal and is employed in the testing of textiles. After prolonged exposure to warmth and humidity the material under examination is tested for strength, elasticity, etc. The atmosphere in this special room is reminiscent of the worst of July's sultry days.

In the field of railway rolling stock, CNR is about to receive from the builder five new dinette cars.

From experience gained in the operation of earlier cars of this type, certain modifications were made to electro-mechanical air conditioning in the new cars, particularly in the way outside air is introduced into the car. The car uses eight-ton systems.

With these five cars included, CNR's total fleet of electro-mechanical air-conditioned passenger cars is 380. Ice-activated air conditioning systems were used in cars built prior to 1953 and there are 730 of these in service.

Handling Perishables

A significant part of CNR's freight-ton mileage comes from perishable goods. In the summer-time, ice-filled refrigerated cars keep the perishables cool. In winter the ice is replaced by a heater.

The peak for perishable traffic comes in winter.

Now in development is a heated box car—simply an insulated box car with an oil-fired heater inside, with a much lower initial cost than the standard refrigerator car.

CPR is now experimenting with two overhead ice bunker type refrigerator cars, with a reversal of the air circulation system.

The cars have undergone extensive tests on experimental runs from Montreal to Vancouver and later at Angus shops in Montreal.

In tests actual traveling conditions were simulated by a special device which worked both cars simultaneously, to give sufficient lateral movement to mix the brine in the cooling system.

Temperatures in the shop were controlled and air-wipe provided by circulation fans.

These shop tests were brought about due to there being factors such as initial temperature of the load, variable outside temperatures, icing conditions, etc., beyond control of the test personnel which caused the results of road tests to be doubtful.

Also, in shop tests, all conditions can be duplicated for further tests.

These tests indicated that perishables can be transported in temperatures three to five deg. lower under normal loading conditions.

Extensive use of aluminum inside the car will also reduce the serious problem of corrosion from brine solution, CPR tells **FP**.

Other features include extra insulation of roofs, walls, floor, avoidance of metal to metal contact and improvements to racks, draft gear and cars' riding qualities.

In the new units the bunker ice-tanks slope toward the centre line and allow cold air to circulate downward directly through the load and return through a series of flues in the side walls.

The old system worked the opposite way with the overhead ice-tanks sloping toward the walls and the cold air traveling down the side walls and returning to the cooling system through the centre of the car.

The new system is devised in co-operation with the Canadian Committee of Food Preservation of the National Research Council, Ottawa, **National Steel Car Corp.** and the **Aluminum Co. of Canada.**

Buses.

The general feeling in bus circles is that air conditioning—for the time being anyway—is a luxury not urgently needed in Canada, which has relatively short periods of extreme heat.

However, sets are available and have been successfully tested in operation in the U. S.

One company, **Trane Co.** of La Crosse, Wis., has developed a system which has been tried out in New York buses.

Cost per set would be between $4,000 and $5,000 in Canada.

Trane Co. of Canada, a wholly owned subsidiary of the U. S. parent, is ready to supply these sets in Canada if demand warrants. A number of other companies are also in the field.

It has been estimated that if air conditioning became accepted on Canadian bus routes the initial market would be worth about $60 million, to manufacturers.

Automobiles.

Sales of car-borne air-conditioning units in the U. S. are running around the 500,000 mark annually.

So far only the most luxury-minded Canadians have been willing to pay the price — anywhere between $350 and $1,000 to have the sets installed.

As would be expected, the biggest market potential is in the Southern U. S. but wherever there is frequent excessive summer heat, or high humidity—and that takes in a lot of Canada—some car air conditioning units will sell.

The car air-conditioning system starts with a refrigerant—a liquid that boils at low temperature.

How it Works

By regulating pressure on the refrigerant, its state may be controlled. It may be low-pressure liquid, low-pressure vapor, high-pressure liquid or high-pressure vapor. When the pressure is changed the temperature will change. This fact allows the temperature within the car to be governed by controlling the evaporation and condensation of the refrigerant.

Air is withdrawn from the passenger compartment, mixed with fresh outside air, cooled, filtered and returned.

Even in a bumper-to-bumper summer heat wave traffic jam, the interior of the air conditioned car remains a comfortable 68-70 deg.

At sea, air conditioning has a big future aboard passenger vessels. Virtually all new liners have built-in air conditioning systems, usually combining heating and cooling.

After going through a compressor, air is passed over heating or refrigeration coils, then distributed through the ship.

On cargo vessels the financial feasibility of air conditioning isn't so clear. Any-

(Continued on page 58)

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What Kind of Conditioning?

Building or buying a house? Want air conditioning?

One practical approach is a year-round unit combining winter heating, summer cooling and dehumidifying, and all-season circulation of filter-cleaned air from a single cabinet.

The cost for the average-size three bedroom residence will run about $700 to $1,100 more than a good heating system. Part of this can be absorbed by construction savings in designing the house around air conditioning.

All existing homes can be divided into five basic air conditioning situations, according to type of heating now used.

- **Forced warm air heat in good condition:**

If you have a forced warm air furnace in good condition, there's an easy solution. Install a conversion unit — a piece of equipment which adapts the furnace to year-round conditioning.

A cooling and dehumidifying coil placed in the duct-work at the furnace outlet combines with the heating plant's fan and filter to provide summertime operation.

A conversion unit doesn't require water for refrigeration. Cost runs $1,000 upwards in the average, three-bedroom house.

- **Worn-out forced warm air furnace:**

If your forced warm air heating plant is getting to the creaky stage, it can be replaced with a year-round unit. It will be more economical in the long run than slipping a conversion unit on top of the old furnace, and then sliding a new furnace underneath the conversion equipment a year or two later.

- **Gravity warm air furnace:**

Replacing an old gravity warm air furnace with a year-round unit can be a really happy event from many points of view.

You are not only getting rid of an obsolete and by now undependable heating plant, and obtaining the benefits of efficient year-round air conditioning, but you will find that you have reclaimed a great deal of space in your basement you probably never realized you had.

Cost runs $700 to $1,100 more than installing a new heating plant. There's an extra item involved in remodeling the duct system, but you would need to do this if you replaced with a furnace alone. What's more, you have added to the resale value of your house.

- **Floor furnaces or space heaters:**

If you warm your house in winter with a floor furnace or space heaters, you don't have a central duct system, and this was once considered a difficult and expensive obstacle.

New summer air conditioning units have been introduced which make installation of a central comfort system economical.

The air conditioning part of the unit is little larger than a room air conditioner, and it's installed with a minimum duct system which can be concealed by a lowered hallway ceiling or placed in the attic or under the floor.

Outside is a refrigerating unit which requires no water. The air conditioner provides cooling, dehumidifying and filtered air circulation. Cost in the average home runs $1,400 upwards.

- **Wet heat:**

Or perhaps your home uses warm water or steam heat and for this reason lacks central ducts? Now you can have air conditioning too by installing a unit completely independent of the heating system and attached to its own duct system.

The same installation possibilities are available as in the case of homes with floor furnaces and space heaters. Costs are also similar.

THE FROZEN FOODS industry expects to double in the next few years. A factor: New methods of freezing products.

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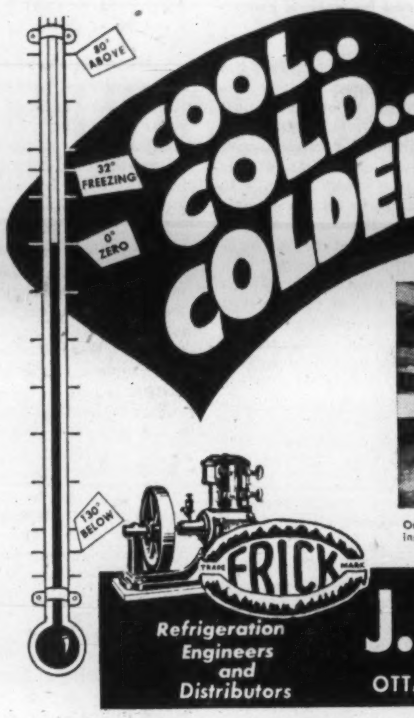

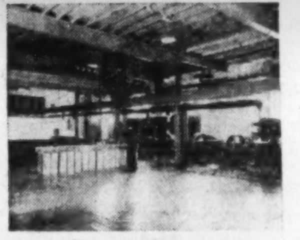

One of several ice making plants supplied and installed for Belle Ewart Ice Co., Toronto.

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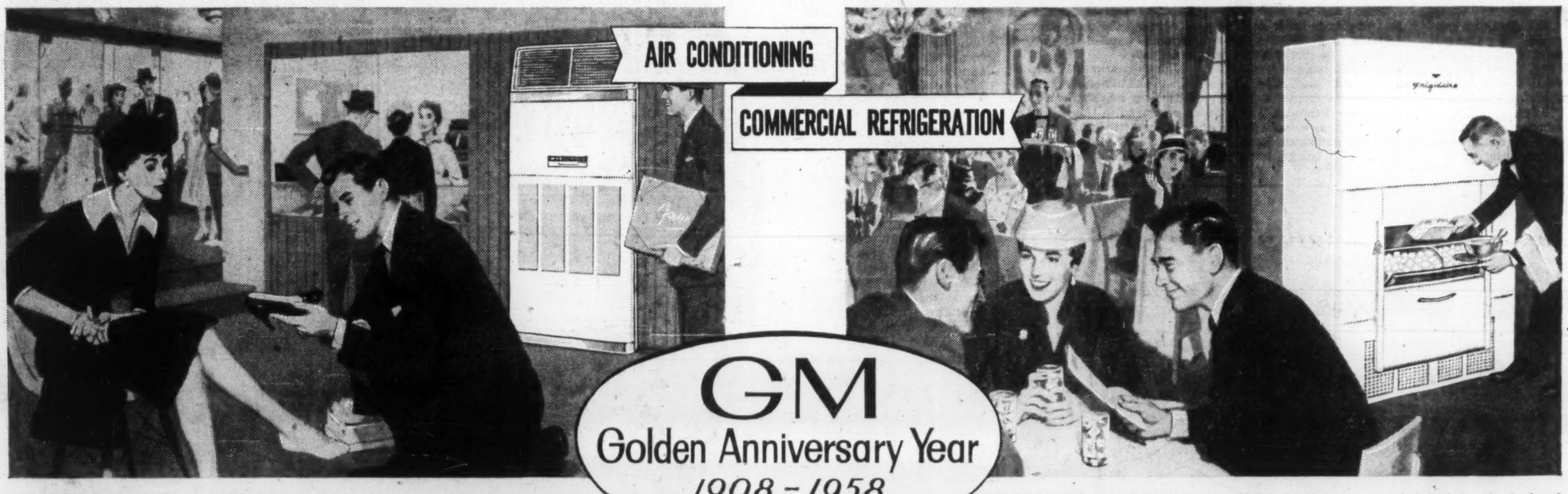

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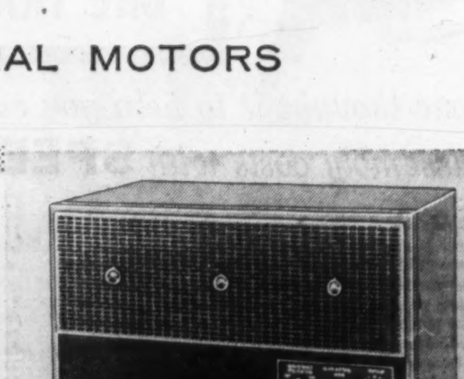
Frigidaire Products of Canada, Limited
Toronto 13, Ont., or Montreal 9, Que.

New for 1958

Frigidaire's 1958 vertical Imperial 1-horsepower room air conditioner strikes a new note in sheer look styling. Only 15¾ inches deep, this unit is equipped with a special "dehumidi-coil", "refrigerant pre-cooler" and Super Meter-Miser compressor, readily accessible, throw-away fibrous glass filter, and thermostatic controls. This room unit is easy to install and economical to use. It can be installed at the top or bottom of double hung windows, in casement windows or through the wall. Other vertical models include ¾ horsepower Deluxe and 1-horsepower Super units. Horizontal room air conditioners of 1½ and 2-horsepower are also available.



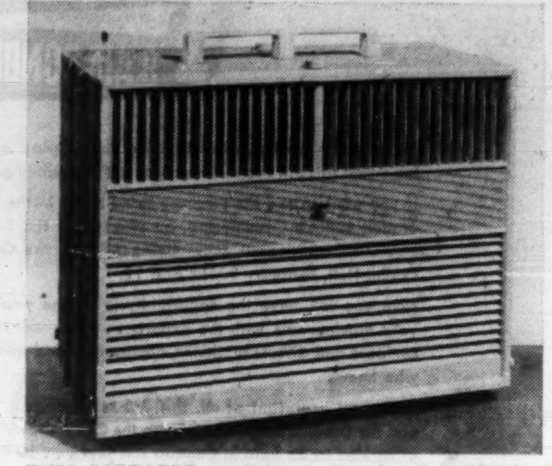
Your Problem

What to Look For in a Unit

Things to look for and questions to ask when you go to buy your central air conditioning unit:

Three Basic Types:

- Year-round models which heat and cool the entire home from one cabinet and are designed primarily for new houses or replacement of worn-out furnaces.
- Conversion units for adapting forced warm air furnaces to year-round air conditioning.
- Summer air conditioning units which are installed independently of the heating system.



THIS PORTABLE conditioner, introduced by Carrier, cools, heats and dehumidifies. Weight: 60 lb. Capacity: ½ ton.

Survey and Estimate:

A good dealer will ask to visit your house, will draw a rough floor plan with dimensions, rooms, and windows indicated, estimate the cooling load, and sketch in the ducts before giving you an estimate of cost. A satisfactory estimate cannot be made over the telephone.

Quiet Operation:

Ask to see a unit operating, and trust your ears as to its quietness.

Humidity Control:

An air conditioner's cooling coil lowers temperature and reduces humidity simultaneously. However, some systems will adequately control temperature but will not control humidity.

Although the amount of surface on the cooling coil influences this, the basic factors in good humidity control are proper sizing of the unit and design of the system.

When the air conditioner is too large for the amount of heat to be removed, it will turn itself off a good portion of the time and moisture will re-evaporate from the cooling coil.

When you're shopping for comfort, this is an important point to check wth your dealer.

Sturdy Construction:

A central air conditioner should be expected to last a long time and this requires sturdy construction of the cabinet as well as of other parts. While you can't be expected to tell the gauge of the steel without a pair of calipers, a few taps on the cabinet can reassure you that it's of solid manufacture.

Insulation:

The air conditioner's cabinet should be heavily insulated against sound and heat transmission. Look inside. Certain portions of the ductwork which are exposed to non-air conditioned spaces should also be insulated.

Water Use:

Some central air conditioners use water for refrigerant condensing and others use outside air.

A dealer can tell you which will cost the least to operate.

Of the three types of air conditioning equipment, each is designed for a specific area.

Smallest are window air conditioners, suitable mainly for cooling single rooms and small shops. Some can be converted for use as a heater in winter.

Price runs from $200 to $500 depending on capacity. The trend in this type of equipment is toward smaller, slimmer units.

Larger spaces, too big for window models, call for package units, priced from $1,500 to $6,000. They are complete plants bought ready for installation and needing no ducts.

Yet they are capable of cleaning, filtering and adjusting temperature and humidity in the same way as the most elaborate installations.

The third type of air conditioner is the central installation.

It is fitted in the basement or on the roof of a large building with ducts to supply several hundred separate outlets.

This type of equipment is responsible for the amazing rise in total sales. Prices range from $700 to $700,000.

Central air conditioners are being fitted in most new buildings now. But it is in the conversion of existing buildings that the big contracts are arising.

Chemicals Behind Expansion

Behind the big expansion in refrigeration and air conditioning in recent years has been the all-important advances in processing of chemical refrigerants.

Time and again the chemist has been able to come up with ideal coolants designed to a specific end use requirement.

Research work is going on. Chemists see still further market gains for the industry, based on new chemical coolants still in the experimental stages.

The big post-war boost in residential and commercial refrigeration and air conditioning has been made possible through discovery of fluorinated hydrocarbon coolants.

Today this chemical family of refrigerants (Freon is a well-known **Du Pont** trade name, Genetron, a General Chemicals trade name) supply bulk of the market in residential, office building and commercial outlets.

The other heavy volume chemical item, long established, is ammonia. This is still the biggest volume chemical used in many large-scale applications such as dairies, cold storage warehouses, packing houses, skating rinks.

But the hydrocarbon group of refrigerants has been making inroads into even the large commercial plant applications.

Refrigerant Used

Refrigerant No. 12 is still the general workhorse of the industry, used widely in many appliances like home refrigerators, coolers, meat, fish, dairy cases in self-service groceteria markets, etc.

An average modern groceteria market store uses between 500 and 1,000 lb refrigerant in its various air conditioning and refrigeration units. Since the product is used continuously the replacement market is relatively small.

Refrigerant No. 22 is the second most widely used in the hydrocarbon family group. It is used mainly in such applications as home freezers, window air-conditioning units and automobile air conditioning systems.

Refrigerant No. 13 is an example of a new product specifically designed for a small exacting market. It is used in testing electronic equipment particularly in aircraft application for very low temperature conditions. This chemical will produce extremely low temperatures as low as 150 deg. below zero.

When chemists set out to produce a coolant that would meet all the exacting specification requirements of modern living and refrigeration and air conditioning equipment they were faced with several major problems:

—The new coolant has to be non-toxic. (This has been one of the major limiting factors with ammonia.)

—It had to have no harmful side effects in contact with a wide variety of construction equipment, particularly copper. (Here again ammonia is limited.)

—It had to have a good affinity for lubrication oils since it comes into direct contact with oil in many types of compressors.

—It had to be non-explosive, non-flammable, odorless and harmless to foods.

—It had to be flexible enough to operate over a wide range of temperatures.

So far there is only one manufacturer of the hydrocarbon family of coolants in Canada — Du Pont Co. at its Maitland, Ont., plant.

Freon compounds are liquefied compressed gasses; colorless, stable and inert. They are non-toxic and non-corrosive. They are also non-irritating with virtually no odor.

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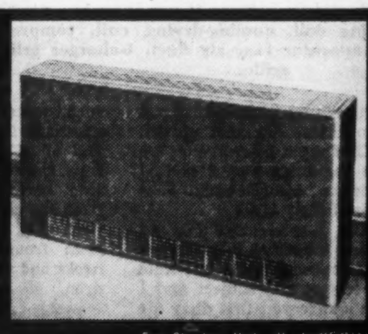
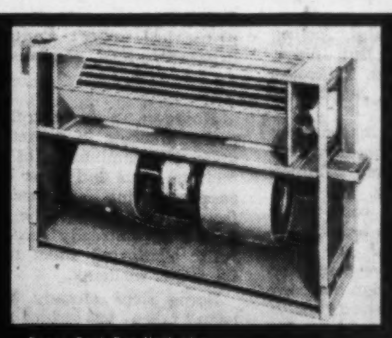
with CIMCO-YORK perimeter units for heating and/or cooling



Free-Standing Unit—all electrical and water connections are entirely concealed. Furred-in units are also available.



Basic Coil Fan Unit showing centrifugal fans. The High Velocity Induction Unit is basically the same, less the fans.

Cimco-York Perimeter Units — either coil-fan or high velocity induction type — offer the most efficient method for the distribution of conditioned air to multi-roomed buildings — apartments, office buildings, hotels and hospitals. Individual room control allows for temperature variation to suit personal tastes.

In existing buildings, Cimco-York Perimeter Units are adaptable without extensive modification.

Canada Permanent Mortgage Corporation building on Toronto's Bay Street. One of many successful installations by Cimco Air Conditioning Company with Cimco-York Perimeter Units.

Architect: F. Hilton Wilkes

Architects will find Cimco-York Perimeter Units completely flexible for integration into new multi-story buildings.

CIMCO-YORK Perimeter units have been installed in many multi-story buildings. Architects have incorporated Cimco-York Perimeter Units in new buildings. The results have been beyond expectation in comfort control to fine temperature and humidity tolerance . . . and complete tenant satisfaction—the most important consideration in any air conditioning design.

For complete information on Cimco-York Perimeter Units and how Cimco can help you with your air conditioning problems, please write:

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Air Pollution Probe

Control Urgent, Situation Critical

By J. H. FOX
Past president, Association of Professional Engineers of Ontario

Air pollution has become a problem of paramount importance.

A special committee on air pollution has reported to the Ontario Government that the situation in Toronto has become critical and recommended that a government commission, with widest powers of action, be appointed to look into it.

It is interesting to note, however, that although in recent years great progress has been made in controlling ventilation, air distribution, humidity, light, color and sound in homes and commercial buildings, the problem of clean air has been relatively neglected.

We are convinced that clean air is a vital factor in a completely controlled indoor environment. And, we believe that the cleaning of air represents the next important area of growth in the technical advancement of year-round air conditioning.

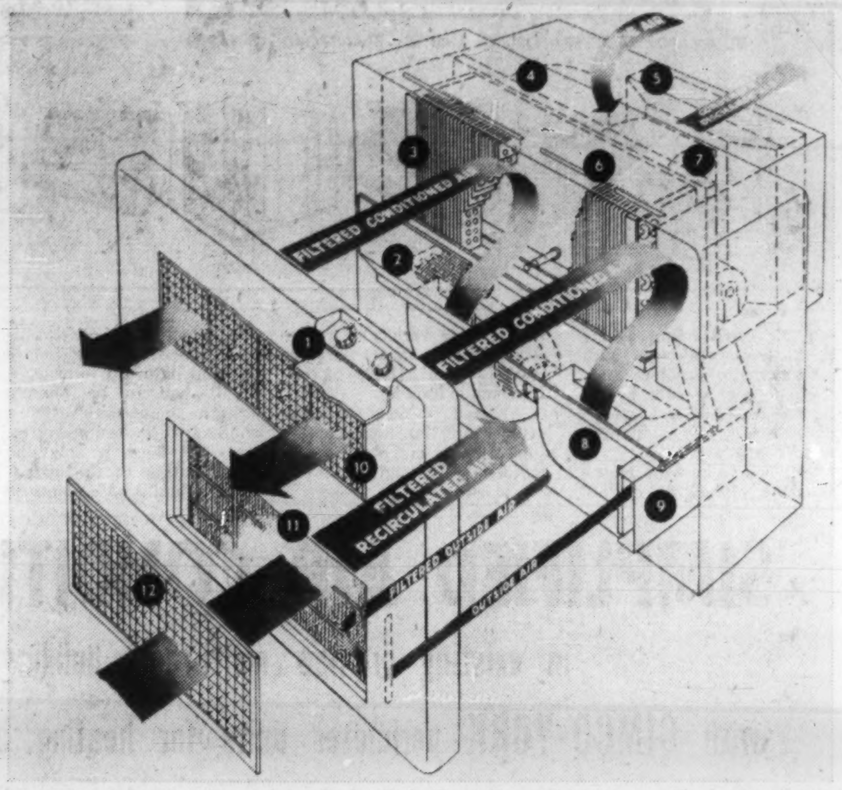
The air is not clean. It contains soil, sand, smoke, coal dust, fly ash, particles of rubber, unburned products of combustion, oil mist, gases, fumes, ceramic particles, metal chips, paint, pollen, tobacco smoke, lint, fibres, bacteria, viruses, silicates, and probably a number of other things.

There are two reasons why clean air is important. One is the effect of air pollution on human health. The other is how much it costs us in dollars and cents today.

Air and water are basic elements that we need for life. Water pollution has been recognized as a serious health and economic problem for more than 100 years.

Control has come about by reducing the amount of waste which could be disposed of in our watersheds and by the development of equipment to purify all water used for human consumption.

Medical science has made magnificent strides with wonder drugs for the care and relief of persons afflicted with nearly all kinds of virus infections and allergies.



THIS IS schematic view of John Inglis Co.'s Type H conditioning convector, showing in numerical order: Controls, heating coil, cooling-drying coil, compressor, condenser, draft diverters, condenser fan, evaporator fan, air duct, ischarger grilles, filter return grille.

However, real control of many ailments is dependent upon the elimination of infectious virus and other disease-producing organisms from the air we breathe just as we have already successfully eliminated them from the water we drink.

Some steps already have been taken to reduce the amount of pollution that enters the air.

But complete elimination of the sources of most of these irritants can be had only if we are willing to shut down our factories and refineries and junk all of our automobiles. Control must come, therefore, by purification of the polluted air.

Our bodies are amazing mechanisms. They can function fairly effectively in spite of the impurities that we put into them. For that reason, it is of great interest that we are beginning to get excited over the potential health hazards of dirty air.

The businessman has an added incentive to be interested because of the economic aspects of the subject and I can assure you that dirty air costs business a great deal of money each year in redecorating, ruined merchandise, and unusable equipment of a delicate nature.

One person who is apt to get worked up over the subject is your wife. She may spend more than half of her day removing dust and grime and other foreign materials from the tops of her tables, from her carpets and rugs, from the collars and cuffs of your good white shirt, and even from the faces and necks and ears of your children.

Physicians and allergy sufferers are primarily concerned with the health aspects of dirty air.

Yet most heating and air conditioning installations do not actually clean the air.

Undoubtedly one reason is that the need for clean air has not been sufficiently recognized in Canada until recently. It has not been dramatized to us as the problem of water pollution has.

A second reason is that it has been fairly easy to sell devices that will filter air. Most of them are inexpensive. And, because they get dirty and have to be replaced from time to time, we are convinced that they are doing an adequate job.

Electronic air cleaning equipment is relatively expensive. Moreover, there's a lot of mystery and misunderstanding about it and about what it will do.

Research, engineering, manufacturing, sales and distribution efforts that have been applied to controls for heating and air conditioning can, in a very short time, bring about substantial reductions in the cost of air-cleaning equipment.

Air cleaning does represent an important need as a result of extensive market research to determine the value of clean air and the potential market for air cleaning equipment.

Expansion of the vast potential market can lead to lower-cost and better equipment.

Demand for pure air, I am convinced, will take its place with the demand for pure food and pure water.

The relatively slow progress which has been made to date is possibly due to the fact that air is free and is, therefore, not appreciated.

Vast Market For Packaged Conditioners

Although large office buildings are being air conditioned with high velocity central air and refrigeration systems and small private offices are being cooled with window units, there is still a vast market where the packaged type of air conditioner is best suited for small office buildings.

Self-contained units developed to date for commercial and industrial use have been primarily designed for in-the-space installation with direct discharge of conditioned air into the area to be cooled.

It was accepted practice to use such equipment with the discharge grille section removed for duct applications, but it required considerable cutting and reworking and the result was seldom very attractive.

Over the years an important trend toward duct installations for air distribution has gradually become apparent. In 1955, 70% of the equipment was sold for central duct applications.

Up until now, market research studies show that the air conditioning industry has been making packaged units for only 30% of its available market by turning out models whose basic design incorporated direct discharge and return grilles for installations without ductwork.

Recently, the trend in design of self-contained units has been to eliminate return air grilles and openings which tend to mar the appearance of the solid front panel. For in-the-space installations, the packaged units are offered with a matching air discharge plenum and grille assembly and a base accessory for air return.

Return air is brought into the new units in any of five ways—front, rear, sides, and for the first time, through the bottom.

There are no holes to cut on the sides, no return air openings to block off on the front.

This feature alone will save many hours of installation headaches and customers many thousands of dollars.

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Refrigeration and Air Conditioning today play more and more important roles in the realm of Canada's expanding economy.

If you want to see the progress being made in the field of Refrigeration and Air Conditioning, be sure to visit the 3rd Refrigeration and Air Conditioning Show being held in the Queen Elizabeth Exhibit Hall, February 10, 11 and 12.

Here you will have the opportunity to discuss your problems and your requirements with the experts . . . you will be able to see, compare and discuss machines, components and parts with the men who know.

And, most important of all, this 3rd Refrigeration and Air Conditioning Show will be the ONLY show of its kind to be held in Canada this year . . . be sure you make the most of it!

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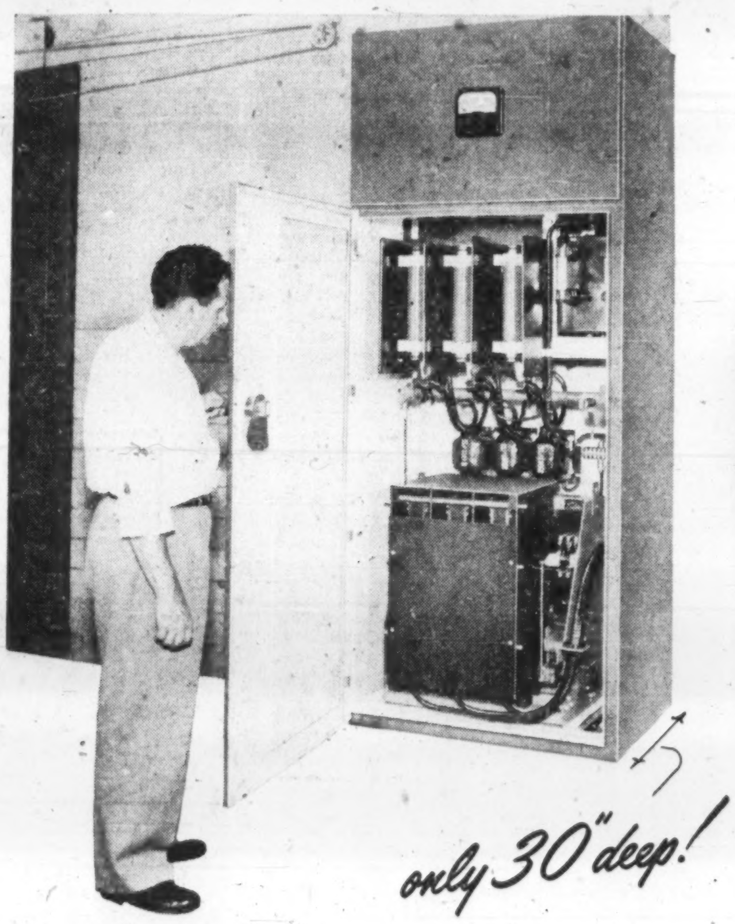

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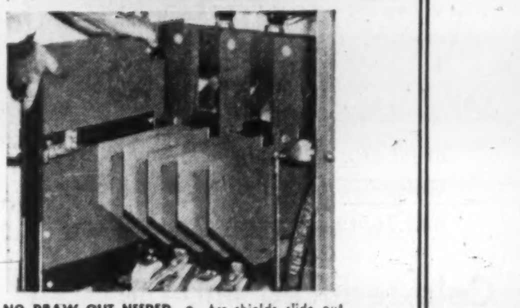

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ACCESSIBLE FROM FRONT . . . (Solid back) • Starters may be mounted against wall or in double row, back to back

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Low voltage section isolated from high voltage

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EC&M's new ZHA Starter not only saves valuable floor space—it provides more accessibility and convenience than ever before. Starters are available with self-contained bus in isolated compartment. A gang of starters requires only one incoming feeder. Additional starters can be added as needed—with no sacrifice in neat, streamlined appearance. All starters are self-contained and complete with control transformer supplying low voltage for pushbutton circuits. Write for BULLETIN 8130-CAN. to Square D Company Canada Ltd., 120 Industry St., Toronto 15, Ont.

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1. CLASS E 1 • 50,000 KVA (symmetrical) based on certified tests.

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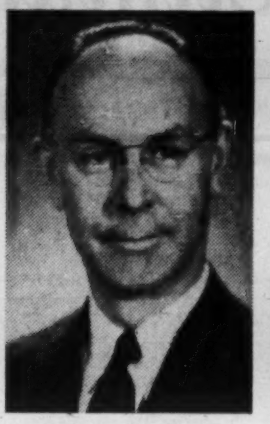

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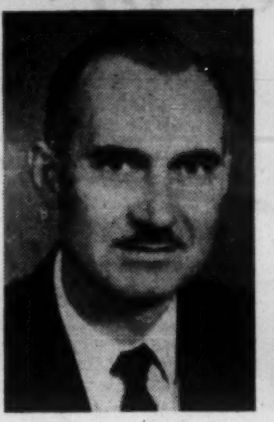

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Associate Director

Watchdog and Voice of the Industry

The Canadian Refrigeration Manufacturers Association has been the voice of the air conditioning and refrigeration industry for the past 13 years.

It now represents some 80% of the industry in Canada.

From its inception, the association has dealt with problems of considerable scope, such as tariffs, taxation, codes and regulations, apprenticeship, statistics, exhibits and publicity.

It has developed a successful apprenticeship program to meet the much-discussed need in the industry.

Watchdog of the industry, it makes its views known to all levels of government and to the Canadian Standards Association.

Standing and special committees have been formed to deal with different aspects of the work. Twelve such committees are working now.

To meet the increasing need for a comprehensive organization capable of representing all segments of the industry, a preliminary reorganization plan will be presented to the 14th annual general meeting this month.

This is the 1957-58 board of directors:

President, Edward Milner, **Edward Milner Co.**, Toronto;

Vice-president, J. F. Morris, **Universal Cooler Co.**, Brantford;

Directors: E. F. Pope, **Carrier Engineering Ltd.**, Toronto; E. G. Pullen, **Air Coils Manufacturing Co.**, Oakville; R. A. Stencel, **Canadian Ice Machine Co.**, Toronto; I. M. Bodine, **KeepRite Products Ltd.**, Brantford; W. J. A. Marshall, **Marshall Refrigeration Co.**, Leaside.

To help develop markets for its members and the industry, the association is sponsoring its third Canadian Refrigeration and Air Conditioning Show on Feb. 10-11-12 in the Queen Elizabeth Building, CNE grounds, Toronto.

The biannual show attracts more than 4,000 buyers, architects, engineers, wholesale and retail representatives.

Some 60 exhibitors are expected to occupy 150 booths.

Here's the list of firms (more will be added before show-time) who will be represented:

Aluminum Goods Ltd.
Air Coils Mfg. Co.
Automatic Electric Sales (Canada) Ltd.
S. A. Armstrong Ltd.
Alliance Motors
Anaconda American Brass Ltd.
Bendix Westinghouse Automotive Air Brake Co.
Gordon G. Brown & Co.
Canadian General Electric Co.
Canadian Curtis Refrigeration Co.
Controls Co. of America (Canada)
Carrier Engineering Ltd.
Canadian Liquid Air Co.
Dunham-Bush (Canada) Ltd.
Dole Refrigerating Products Ltd.
Davis Automatic Controls Ltd.
Danfoss Mfg. Co.
Du Pont Co. of Canada
Frigidaire Products of Canada Ltd.
General Controls Co. (Canadian)
Gilson Manufacturing Co.
Handy & Harman of Canada Ltd.
Hussmann Refrigerator Co.
T. M. Hall Ltd.
Ideal Food Service Equipment
John Inglis Co.
Keeprite Products Ltd.
Edward Milner Co.
Marley Canadian Ltd.
Mueller Ltd.
Jas. P. Marsh Corp.
Marshall Refrigeration Co.
McGraw-Edison Co. (Lonergan Coolerator Div.)
McCray Refrigerator Co.
Nichols Chemical Co.
Ontario Refrigeration Enterprises
Pioneer Appliance Service Ltd.
Perrin-Turner Ltd.
Penn Controls Ltd.
Peninsula Electric Refrigeration
Refrigeration Supplies Co.
R. & E. Refrigeration & Heating Specialties
Robbins & Myers Co.
Refrigerating Specialties
Shipley Co. of Canada
B. F. Sturtevant Co. of Canada
Sporlan Valve Co.
Tyler Refrigerators
Thermorite Products Ltd.
Universal Cooler Co.
W. C. Wood & Co.
Worthington Corp.

Sales Potential

More Think of 'Air'

Rehabilitation and modernization of older homes offers the air-conditioning industry a tremendous avenue for sales opportunity and expansion.

A primary reason, says Cloud Wampler, president of **Carrier Corp.**, is that the great number of air-conditioned new homes being constructed today will lower resale values of older homes not so equipped.

Another big reason: Possibility of recovering abandoned or furnace-and-pipes occupied space for basement recreation rooms.

The basement is not the only area where remodeling and air conditioning go hand-in-hand.

In the air conditioned bedroom, windows can be moved higher, not only giving greater privacy but providing wall space for convenient furniture arrangement.

The "new look" bedroom might, for example, have a horizontal strip of windows high on one exterior wall, permitting the bed and dressers to be placed underneath.

Another wall, facing a sheltered area of the property, might be all glass.

Similar changes can be found in living areas. Imagine a living room with a wall entirely of glass facing south—an exposure which can be satisfactorily shielded from the sun by roof overhang.

Another wall without windows faces west where the afternoon heat of the sun through glass would be intense.

Hottest Room

The kitchen is the hottest room in the home and once needed a good deal of cross-ventilation.

The modern kitchen is built around year-round air-conditioning. It's a term meaning air conditioning equipment which cools and dehumidifies in summer, heats in winter, and supplies filtered air circulation all months of the year.

In an air conditioned village built by the National Association of Home Builders, research is being carried on to show the benefits of air-conditioning.

Families living in air-conditioned homes are compared with similar families without air-conditioning.

Families will sleep better, and longer hours. That's one of the important reasons for better dispositions.

In Research Village, adults averaged 8.1 hr. a night against 6.9 hr. for those in non-air conditioned homes.

Children napped 1½ hr. in the daytime as compared to ½ hr. in homes outside the village.

Some 95% of the adults awoke rested, but only 60% did in bedrooms without air-conditioning.

A similar comparison for children showed an even greater disparity of 100% waking up rested against only 40% in neighboring residences.

Fishing Industry

Revolutionary Find

Canada's fishing industry is on the verge of modifying established methods of storage and transportation of fresh fish.

Until now the industry has been dependent on crushed ice for preservation of fresh fish.

In addition to cost and limited availability at critical periods, ice has these disadvantages for the fisherman:

- He frequently finds himself with good fishing prospects but ice cargo dwindling very low.
- Even under best conditions fish lose weight, are crushed and made shapeless by the weight of ice and fish.
- The period of safe storage is limited; many hours "icing down" have been required after a day's fishing.

A startlingly simple solution has been developed and field-tested by Dr. Hugh Tarr and his associates at the experimental station of the Fisheries Research Board of Vancouver.

Dr. Tarr found that freshly caught fish may be safely stored for longer periods in tanks aboard the fishing vessel which are filled with sea water and chilled to 30 deg. F.

Good Quality

Quality of the fish, even after long periods of storage in brine, has been impressive. Appearance has been greatly improved.

Reason: All fish, even those at the bottom of the tank, are floating in brine.

Other findings:

Elimination of weight shrinkage; labor saving running to 50%.

The boat equipped with brine chilling equipment is independent of ice supply, thus increasing its range and effectiveness.

Results can be improved further by adding Aureomycin as a bactericide in the brine.

It has been found that adequate brine tanks may be added to most boats without affecting stability or seaworthiness.

Nelson Bros. Fisheries in Vancouver have equipped their new cannery with tanks and chilling equipment for short term storage of fish.

Another result:

Rice and McIntosh Refrigeration Ltd., Vancouver, has developed a compact package of mechanical equipment required to chill and circulate brine in fishing vessels.

Blinds Can Cut Installation Costs

Window coverings are a factor to consider in air conditioning planning.

One method: Venetian blinds. **Hunter Douglas Ltd.**, claims that lowering of the solar heat load by using venetian blinds means that a smaller and less expensive unit may be used.

American Society of Heating and Ventilating Engineers' survey shows that 38% to 41% less air conditioning is required when venetian blinds are used.

THE LORD SIMCOE HOTEL
control-heated by
DUNHAM-BUSH

Architect: Henry T. Langston
Consulting Engineer: Karel Rybka and Associates Limited
Heating Contractor: J. A. Norton Company, Limited

The new Lord Simcoe Hotel in Toronto is heated by a Dunham Differential controlled steam heating system with modern electronic controls.

At the Lord Simcoe, the Differential system provides true heating comfort. It supplies a smooth continuous flow of steam regulated in temperature and quantity to meet building temperature requirements.

Many owners prefer Dunham Differential heating for economy and comfort. Using "cool steam", properly regulated, with no over-running of temperature, reduced fuel bills are assured.

For additional information write for our "Quick Briefing" bulletin.

Custom-styled Dunham **FIN-VECTOR** radiation is a feature of every suite. Units rest inconspicuously beneath windows—blending with the attractive decor.

DUNHAM-BUSH (CANADA) LTD.
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AIR CONDITIONING, REFRIGERATION, HEATING PRODUCTS AND ACCESSORIES

DUNHAM-BUSH

'5802R

9 miles of Polyethylene Plastic Pipe used in Hamilton Forum

C. A. Meadows & Associates Ltd., Consulting Engineers, Toronto
H. J. Miller Enterprises Ltd., Installation Engineers, Toronto

This ice-making installation proved economical, and is giving trouble-free service!

Reported to be the first indoor rink in North America to use plastic pipe as a brine carrier, 9 miles of 1" I.D. plastic pipe, made of "Bakelite" polyethylene, was installed in this modern arena in September 1953.

The plastic pipe weighed approximately 1 lb. per 8 linear feet, and the entire quantity used was unloaded in half an hour. Its light weight and flexibility in handling, plus the use of unskilled labor, effected great savings in installation costs.

This polyethylene plastic pipe is unaffected by the cooling agent. It will not rust. Its mirror-smooth interior surface reduces flow frictional loss considerably. These are three of the main factors contributing to the trouble-free service of this 16,000 sq. ft. ice area.

Specify "Bakelite" quality when you buy polyethylene plastic pipe. Available in sizes from ½" to 6" diameter.

Plastic pipe is protected by metal shields from possible skate cuts.

BAKELITE POLYETHYLENE

BAKELITE COMPANY Division of Union Carbide Canada Limited
TORONTO • BELLEVILLE • MONTREAL
"Bakelite" and "Union Carbide" are registered trade marks

UNION CARBIDE

A CHIEF SUPPLIER OF PLASTIC RAW MATERIAL TO INDUSTRY

Importance of Climate Controls

By JOHN BERTRAM
Winnipeg Branch Manager
Honeywell Controls Ltd.

Widening acceptance of the need for climate control is essentially the result of two main factors:

Recognition that efficient temperature control can materially increase working efficiency, and that it can reduce heating costs.

Perhaps the most widely accepted year-round temperature control application from the commercial point of view is represented by the individual space thermostat being used in an increasing number of office buildings, apartments, hotels, hospitals and other types of commercial and institutional buildings.

Why this is so, is readily understandable when one considers that the modern office building, for example, is usually a multi-story structure with a great amount of glass, with private offices around office space in the centre of the floors.

Obviously, these offices have different exposures to sun and wind, and different occupancy requirements. Also different people have different ideas as to what constitutes a comfortable and efficient working temperature.

Experience has proved that where each office has its own thermostat to control the temperature of the space concerned, the advantages have far outweighed the original investment.

Healthier working conditions, increased employee efficiency, elimination of office bickering and factors in the acceptance of individual space control.

Building owners and managers have found that individual space control improves building values by making space easier to rent with longer occupancy.

New Concept

With most new office and comercial buildings being air conditioned, one of the new air conditioning concepts utilizes a high-velocity, high-pressure air distribution system.

It operates as follows: The conditioning air is supplied through ducts at velocities of 4,000 to 8,000 ft. per min. to the individual space where it is blended (and reduced in pressure) to give the temperatures required.

A self-powered control system has been developed to "blend" hot and cold air to each area at a constant rate of flow which is maintained regardless of changes in the air pressure throughout the distribution system.

Perhaps the most dramatic advance in the field of climate control is a master control panel known as a supervisory data centre.

Supervisory data centres are being put in many of Canada's newest, most modern buildings, including the **B. C. Electric** office building in Vancouver, the **CNR's** new Queen Elizabeth Hotel in Montreal, Misericordia Hospital, Winnipeg, the **Shell Oil** office building, Toronto, and several other office buildings.

The supervisory data centre makes it possible for a single engineer to control temperatures throughout the building.

He has, in effect, the entire system ranged before him, its components and the building's outline represented graphically in color on a panel.

As a further refinement, routine logging of the system can be carried out automatically, with a written record produced by automatic typewriter.

In addition, any component of the system can be plugged into a recording instrument for a trouble-shooting record.

Most important, any key temperature can be checked with a touch of the button and a glance at an indicator, while adjustment becomes just a twist of a knob.

Sensitive Heart

Linked to the supervisory data centre in the Queen Elizabeth Hotel are 35 electronic thermostats which form the "heart" of the system. They are 100 times as sensitive to temperature change as the human body.

This extreme sensitivity is harnessed to detect outdoor weather changes and also to "sense" changes in the temperatures of the Queen Elizabeth's many public rooms.

The information is transmitted to the master control panel wher the engineer can check and make adjustments necessary to meet changing load conditions in the building's public spaces.

In addition, each of the 1,200 guest rooms is equipped with a thermostat which enables each guest to make a fine adjustment of the temperature in his own room to meet his own comfort needs.

Another development which is gaining acceptance in Canada's commercial building field is electronic air cleaning.

Although the electronic air cleaning principle dates back to 1906, it is only in recent years that the tremendous increase of dirt in the air has aroused local as well as national alarm.

Dirt is now present in the air in most cities in Canada to such a degree that the cost of its removal is mounting to prodigious proportions in respect to cleaning and redecorating bills alone.

In fact, within the next five years, a growing awareness of the danger of air pollution and what it means in terms of health, as well as dollars, to Canadian industry is expected to create a market which could easily run into the many millions of dollars.

There are specific industries and building types which require a superior system of air control such as gyro and instrument manufacturing plants, bilogical and pharmaceutical buildings, hospital operating rooms, telephone equipment rooms, food processing plants, laboratories, art galleries and museums also require clean air which can only be provided by electronic air cleaners.

For such enterprises electronic air cleaning fulfills a desperate need.

How It Works

This latest addition to the concept of year-round air conditioning and the control of air cleanliness is now being used for department stores where the losses due to merchandise damage by dirt can be largely prevented.

Simply stated, the electronic air cleaner functions in the following manner:

As the dirty air enters the air cleaner, it first passes through the ionizing section—a series of fine wries which are electrically charged with 13,000 v.

This causes most of the dirt particles, even the sub-microscopic ones, to become positively charged.

The air next enters the collection section which consists of a series of parallel aluminum plates, half of which are charged positively and half negatively, with 6,500 v.

Just as a magnet attracts iron filings, the negatively charged plates attract the positively charged dirt particles which cling to the plates.

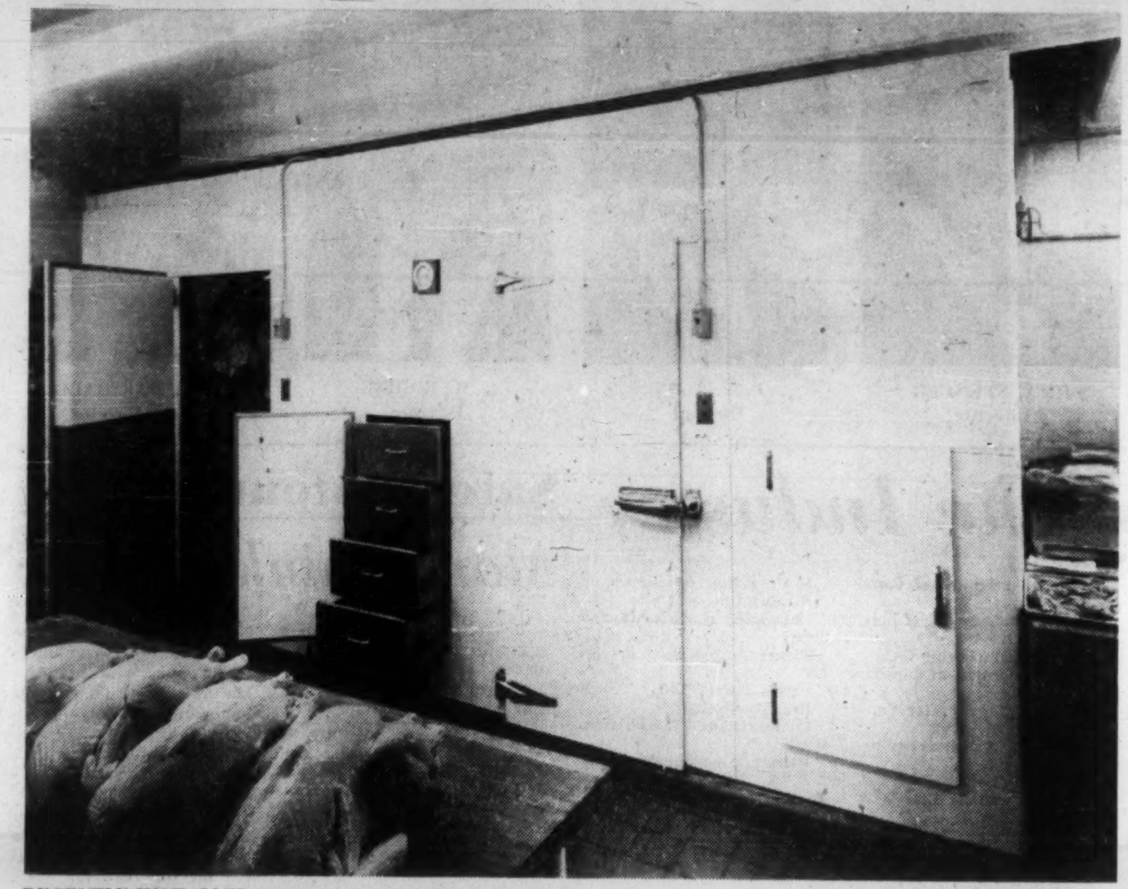
These dirt particles, which were not positively charged going through the ionizing section, are attracted to the positively charged collecting plates.

At intervals, the collected dirt particles are washed off the plates by a hot water spray.

Businessmen are realizing that it is no longer necessary to put up with extremes of heat and cold, with impure air and with many other irritations; that, in fact, controlled climate can be provided the year round with resultant greater productivity through greater employee efficiency.

There is little reason to doubt, therefore, that the demand for better climate control will continue to grow rapidly in the years to come.

It all adds up to good business and good sense.



RECENTLY INSTALLED in one of Canada's finest hotels, this combination walk-in refrigerator for meat and for sea food storage.

How to Stay Cool in Space

(CONTINUED FROM P. 53)

thing which increases shipping costs tends to push up rates. However, one shipping industry official thinks that within 10 or 20 years most cargo ships will be built with air conditioning.

Since it's very expensive to install air conditioning after building, it isn't likely that many of the older ships will make the change. One of the factors which will lead to more air conditioning will be demands from crewmen for more comfort.

Current biggest cargo ship demand concerns vessels which usually carry dusty materials.

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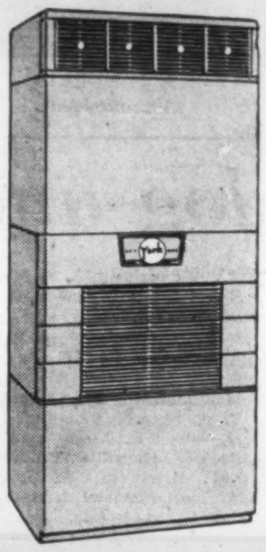

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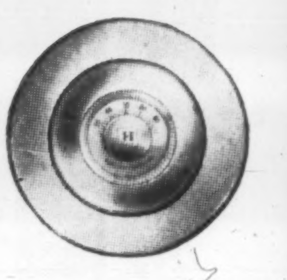
with HONEYWELL CUSTOMIZED TEMPERATURE CONTROL
for perfect year 'round living comfort

From this good-looking precision thermostat
THE HONEYWELL YEAR ROUND
tenants control the temperature of their own suites in the luxurious new residential apartment house at
484 AVENUE ROAD,
Toronto



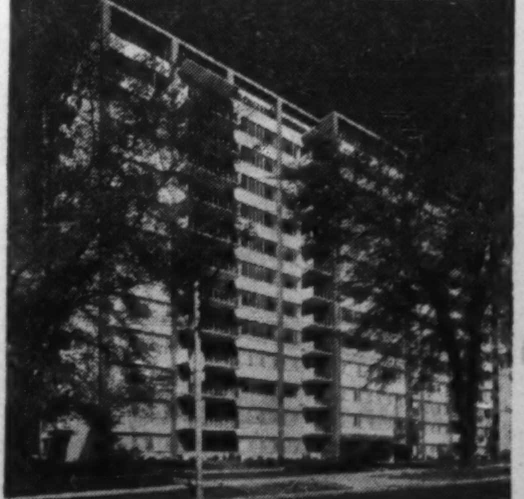
Year 'round climate conditioning . . . cool and comfortable in summer . . . cozy and warm in winter . . . clean, "country-fresh" air all year long. And in each of 120 luxurious apartments, a Honeywell Year Round Thermostat so that tenants can keep temperatures just right for their own personal comfort. No overheating or overcooling—no fuel waste.

We call this Honeywell Customized Temperature Control because it is a type of system especially engineered to the requirements of a building and the needs of its occupants. At the 484 Avenue Road Apartments, this system incorporates pneumatic control of the hot or chilled water supply to the individual apartment air conditioning units, electronic control of ventilation air, and electric control of exhaust ventilation. In the winter months an electronic outdoor control senses weather changes and adjusts the heat output of baseboard radiation to offset heat loss through the walls.

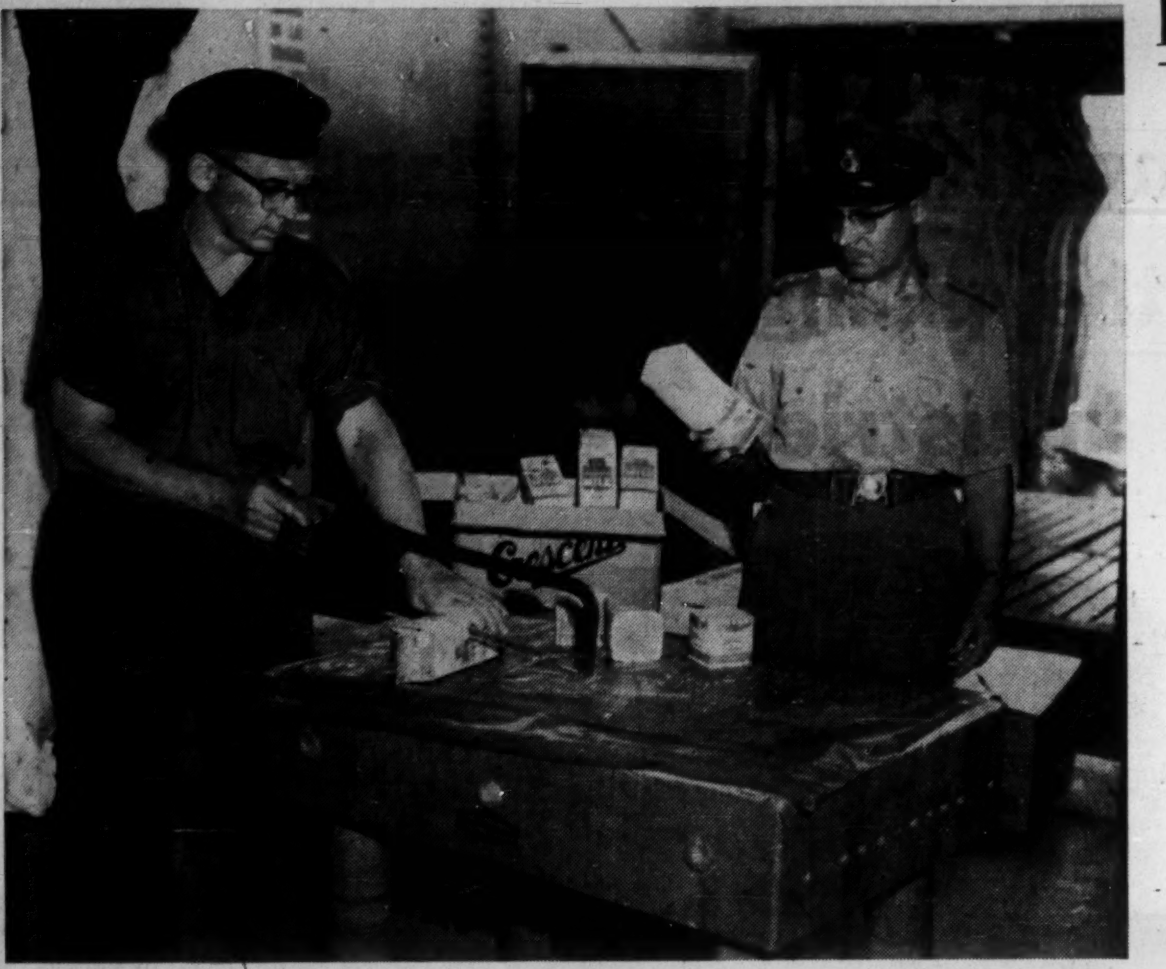
And cross-odors are eliminated as fresh air is taken from the corridors and exhausted out of each apartment. Tenants aren't even disturbed for maintenance on their apartment units is done from the corridors.

Such climate control systems can be custom-engineered to the requirements of any building, old or new. But only Honeywell can provide true customized control. Because only Honeywell makes complete lines of electric, pneumatic and electronic controls. Hence only Honeywell is in a position to make truly objective recommendations. For information or advice on any control problem, call your local Honeywell office or write Honeywell, Toronto 17, Ontario.

Honeywell
H HONEYWELL First in Controls



484 Avenue Road, Toronto.
Architects: Bregman & Hamann.
Mechanical Engineers: Frost, Granek and Associates.
Structural Engineers: Farkas & Barron of Canada Ltd.
Mechanical Contractor: Air Devices Ltd., Canada.



CUTTING OFF A "glassful" of frozen milk is what these army men are doing—as a gag—at Fort Churchill, Man.

Milk by the Block

Army Solves a Supply Problem

By CAPT. T. E. SAILMAN
Canadian Army

WINNIPEG — It's not true that they're shipping ice to the Eskimos. But it wouldn't be a great exaggeration as frozen milk now is being sent to the sub-Arctic station of Fort Churchill, Man.

There are always supply problems for isolated centres but the provision of milk poses an additional one.

Under normal refrigeration fresh milk has a limited life and Fort Churchill lies 66 hr. distant by rail from Winnipeg, a main supply base.

Handling and distribution at both ends adds to the delay as does the thrice weekly train schedule.

Shipment of frozen milk solves these problems.

Experimental shipments from Crescent Creamery Ltd. of Winnipeg have proved successful and the company is filling a contract for about 20,000 quarts monthly. A month's supply almost fills one refrigerator car and is shipped every four weeks.

High quality of the milk is preserved by its quick freezing immediately after it is sealed in the disposable wax-paper containers, each holding a quart.

Fifty cases or 1,000 quarts are frozen at a time at about 30 deg. below zero.

To freeze the milk, the 40-ounce-quart containers are stacked in wire baskets as they come from the "bottling" machine and rushed to the adjacent deep-freeze.

According to Creamery officials, it takes from 15 to 24 hr. to freeze the 1,000 quarts.

They are then repacked in cardboard cartons for delivery and stored until shipment is arranged.

Extensive Tests

Medical tests have shown no deterioration after months of frozen storage.

To prepare the milk for consumption the ideal method of thawing is at a 70-deg. temperature.

Packed in cases it takes from 24 to 28 hr. to thaw but separated in individual cartons it will thaw in seven to eight hours.

Once thawed it will keep for a minimum of 10 days under normal refrigeration.

Extra handling in the creamery adds about a cent a quart to production costs. Shipping charges from Winnipeg to Fort Churchill via CNR add another eight cents.

So far, the Army is only buying frozen milk for servicemen and civilian employees who eat in messes at the northern station.

All three services and a large number of civilian employees are stationed at the Army base while dependents live in married quarters and buy their own food through a commissary.

It's possible that milk shipments may be increased for sale on a commercial basis but the necessity of a large amount of storage space creates a drawback.

Creamery officials see the possibility of increased sales of frozen milk all through the northland — in fact that possibility is there for any isolated station where fresh milk deliveries are impossible on a daily basis.

Freezing Is Easy

Mines, bush camps and isolated communities just haven't got enough refrigerated storage space to make the purchase of frozen milk economical.

It's no trick to keep the milk frozen — any temperature below 32 deg. will do — but it's a bulky commodity and huge refrigerators are expensive.

The supplier carries out its own series of purity and quality tests before freezing the milk in Winnipeg and the Army performs another rigid series before allowing consumption at Fort Churchill.

Laboratory reports show completely negative coliform tests as required, satisfactory butter fat content and a standard plate count well within the accepted limits.

Reports from Fort Churchill showed a boost in morale after the regular supply of milk had been established. Troops had accepted the use of substitutes but they had never achieved enthusiasm for any of the various types of powdered milk.

Crescent Creameries had been the first firm in Manitoba to try shipping frozen milk. In 1942 when Fort Churchill was part of the U.S. "Crimson staging route" to Europe a token shipment of 500 quarts was tried out but the project was abandoned, mainly because of lack of volume, company officials say.

The Canadian Army at Prairie Command Headquarters revived the idea in 1946; improved equipment and larger volume made it work.

Apprentices Being Trained

Canada's rapidly expanding refrigeration and air conditioning industry has set up a school for training qualified mechanics for servicing and installing equipment.

First and only school of its kind in Canada, it is conducted by the Provincial Institute of Trades in Toronto.

Seven apprentices graduated last year and 15 more will do the same this spring.

The course deals with principles of installation, operation and maintenance of industrial and domestic equipment. Fundamental subjects are also taught.

It's open to men over 16 yr. who can pass the qualifying test of the institute or produce an Ontario grade 10 certificate or equivalent.

RCN Units

Better Living

Living conditions of men manning ships of Canada's Royal Navy are much pleasanter in these times than during World War II days, thanks to sweeping improvements in refrigeration and air conditioning.

Where World War II destroyers carried a maximum 14 days' fresh-frozen foods, today's St. Laurent class destroyer escorts hold 90 days' supply.

Tropic and Arctic duty once was a human endurance test; today's adaptable air conditioning equipment produces climate-controlled havens.

Refrigeration machinery aboard modernized ships is divided into two main categories:

- Central refrigeration plant for food storage; domestic type refrigerators for galleys, messes, sick bay; water coolers, refrigerated serving counters, ice cream freezers and hardening cabinets.
- Air conditioned operations rooms, living quarters, and compartments containing radar and other heat-sensitive equipment.

The design of naval cooling equipment is dominated by the essential differences between land-based and naval operating conditions.

For ships it's essential that refrigerating machinery be reliable.

Test Conditions

Units for naval service are designed and tested to operate under sustained inclination of 30 deg. in either the transverse or fore-and-aft conditions, and when rolling to 45 deg. either side and pitching 10 deg.

Machinery assembly must be able to operate under specified conditions of vibration and shock. Equipment must be standardized as much as possible.

The RCN has adopted the following principles and features in the design of refrigerating installations:

—Condensing units mounted on shock resistant mountings.

—Diaphragm-type bursting discs have been replaced by dual safety valve assemblies including a three-way valve which permits isolation of one safety valve at a time for repair in case of leakage.

—The cooling system has direct expansion evaporators, instead of brine circulation.

Freon 12 is today's universally accepted standard refrigerant for naval use for reasons of safety, favorable thermodynamic characteristics, almost world-wide availability and low cost.

Freon 11 has been interchanged with Freon 12 for use in centrifugal compressors as fitted for air conditioning applications of high capacity.

Air-Cooled Designs

The RCN fitted its first air conditioned system in 1945 to the frigate HMCS Swansea. Equipment performance results from this pilot plant provided basic information for systems fitted on 16 Prestonian class frigates modernized during 1951-54.

The RCN's post-war destroyer escort building program provided the first opportunity to design an air cooling system which was an integral part of the design of a new ship.

For these ships, designers decided on a chilled water system for cooling of electronic compartments, command position, mess, living quarters and sick bay.

This system incorporates a number of central water-chilling plants piped to a large number of air cooling batteries and distributing the treated air by ducting to the compartments served by each battery.

For normal operation the system works on an intake of 20% fresh air and 80% recirculation.

Under certain other conditions the fresh air intake can be closed and the plant continues with full recirculation. It's also possible to operate with 100% fresh air.

The ceiling-type air outlets can be adjusted to direct air flow horizontally or downward at 45 deg.

This system in destroyer escorts has provided a great improvement in habitability; modifications are constantly being incorporated.

One result of these successes: Demands for even more extensive use of refrigerating machinery in new ship construction and others scheduled for modernization.

SOME MAJOR FOOD FREEZING PLANTS by INGLIS

1956 Trans-Canada Freezers Ltd.
Lethbridge, Alta.
100 Tons of frozen food per day

1957 York Farms Limited
Burford, Ont.
80 Tons of frozen food per day

Projected for 1958 for
With E. G. M. Cape Company (1956) Limited
Interprovincial Freezers Ltd.
Chatham, Ont.
70 Tons of frozen food per day
using
3 Fuller Rotary Boosters
3 Worthington Ammonia Compressors
2 Inglis double tunnel freezers
2 Inglis Plate Freezers
8 Inglis LTA Blower Units

Inglis FREEZING & COLD STORAGE SYSTEMS
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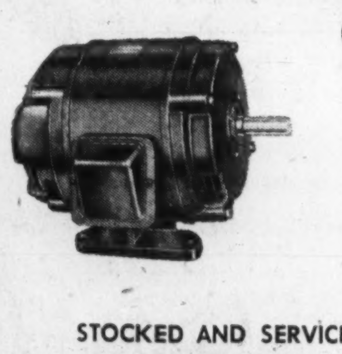
REFRIGERATION and AIR-CONDITIONING EQUIPMENT REQUIRES the DEPENDABLE POWER GUARANTEED by INSTALLING



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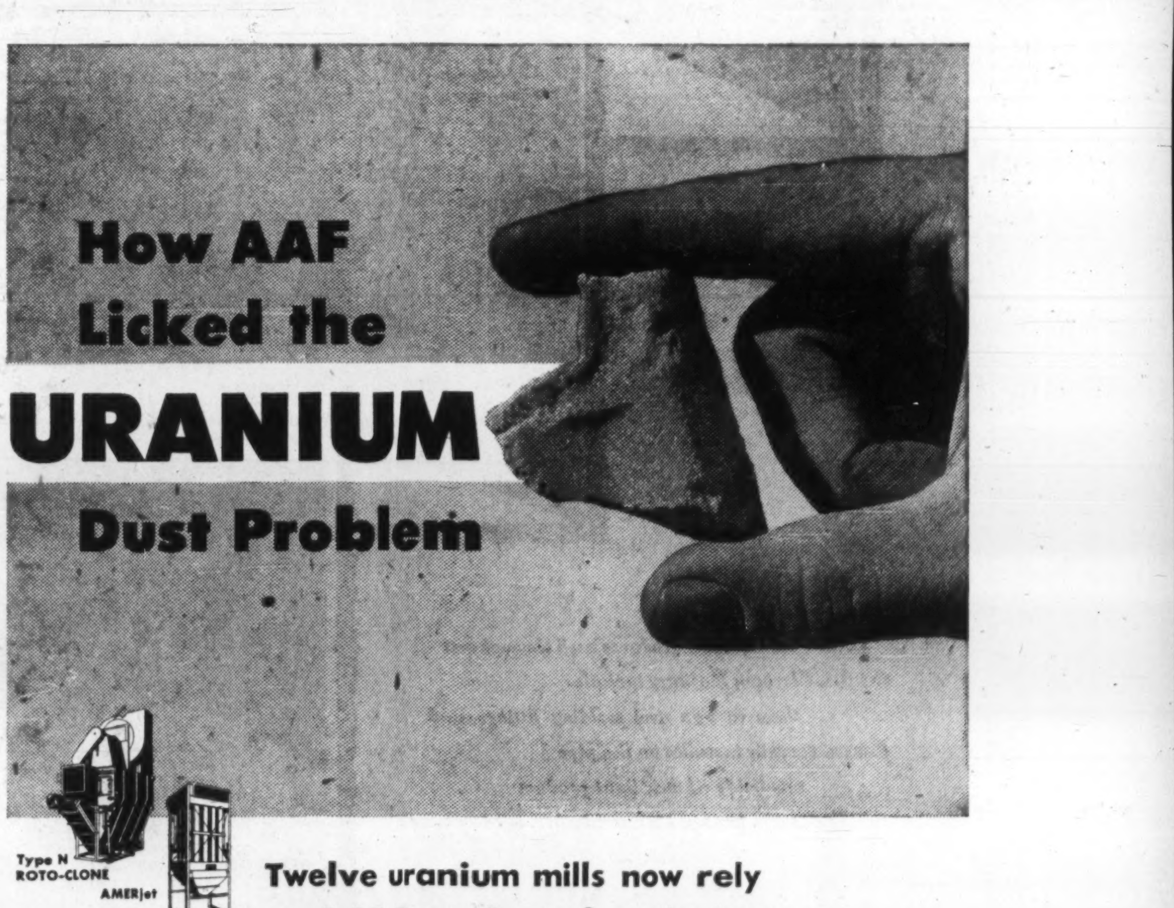


Twelve uranium mills now rely on AAF Dust Control equipment

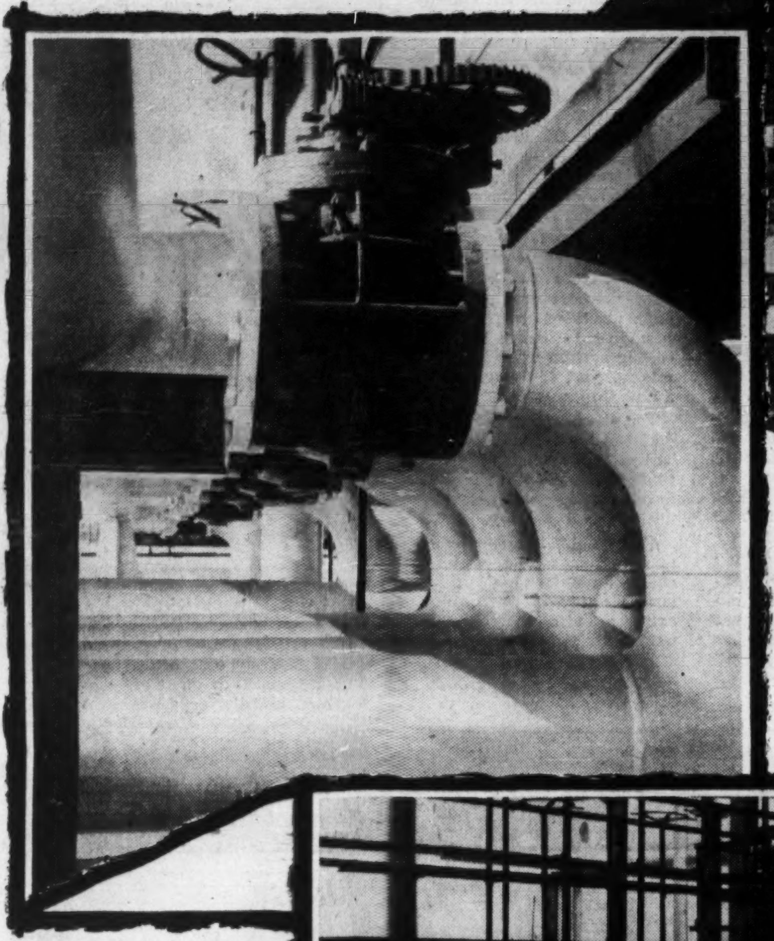
When pioneer operators found that dust from uranium processing assayed as much as *seven times* richer than the ore itself, they knew they couldn't afford to "experiment" with dust collectors. Logically, they turned to AAF.

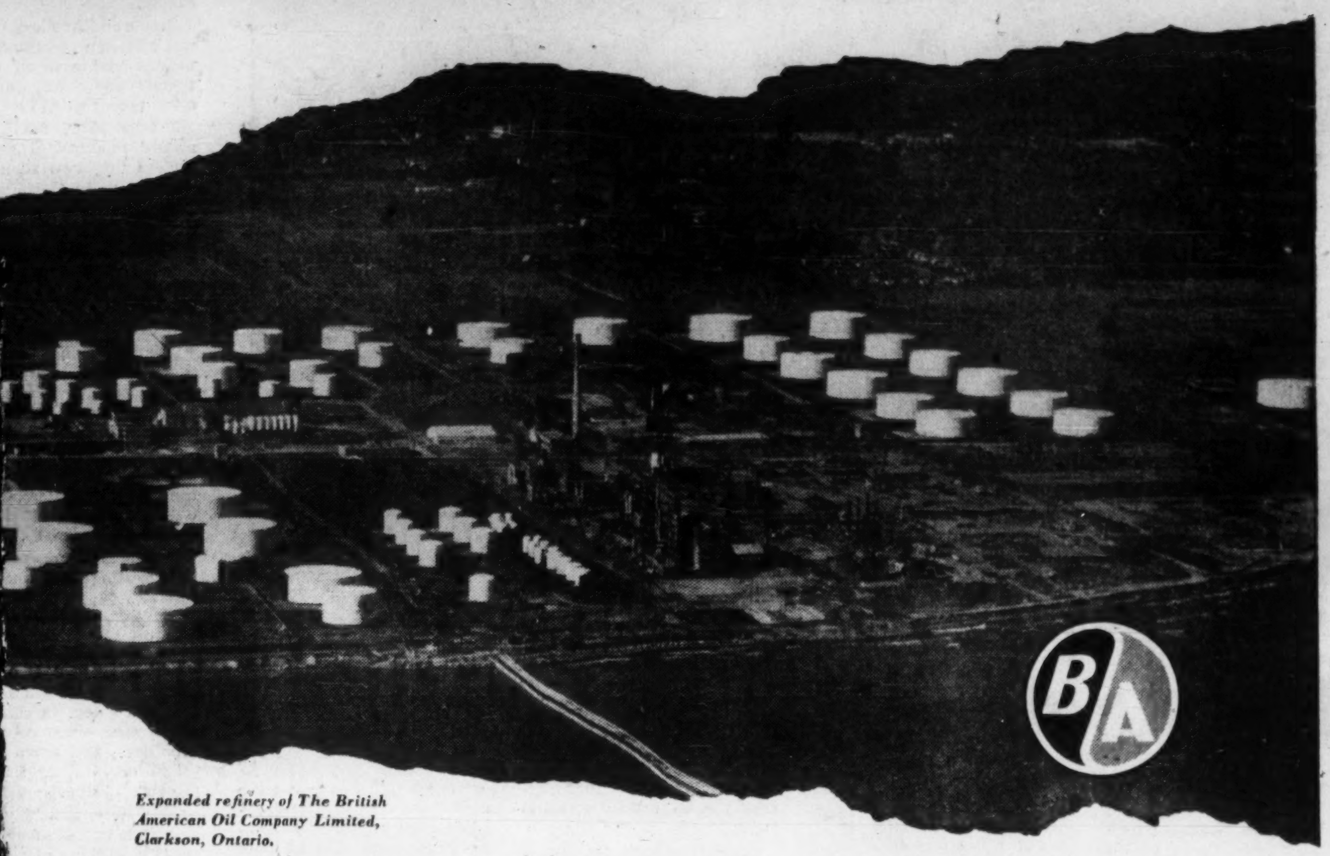
AAF has been salvaging uranium dust since 1940. Now a dozen uranium mines are using AAF collectors to reclaim this dust and keep operations clean. The AMERjet fabric dust arrester is a favorite for this service, especially where dust must be collected *dry*. AAF's wet-collecting Type N ROTO-CLONE does the job in another way...produces a slurry of uranium-rich material. *Both do the job well*—better than 99% efficiency!

Take a tip from uranium—call your AAF representative or write direct for AMERjet Bulletin 279 and Type N ROTO-CLONE Bulletin 277.

AAF CANADA
American Air Filter OF Canada LTD.
Factory and General Offices: 400 Stinson Blvd., Montreal 9

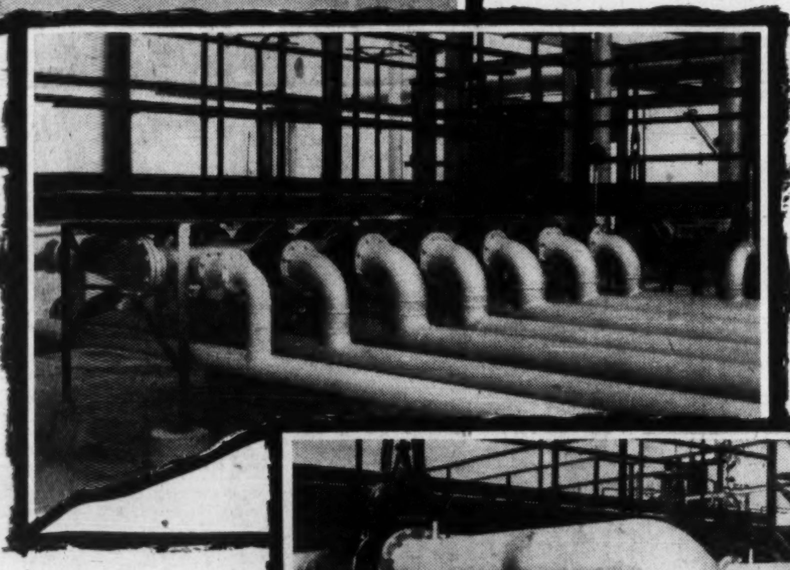
TUBE-TURN welding fittings and flanges are safeguarding the piping investments of many Canadian industries

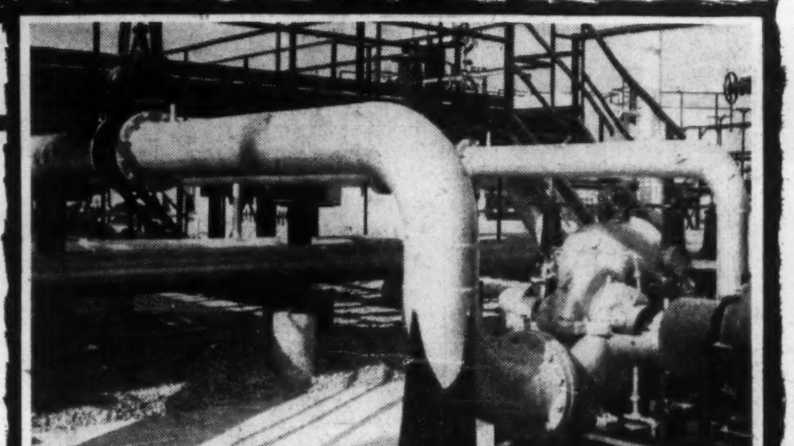




Expanded refinery of The British American Oil Company Limited, Clarkson, Ontario.

... from refineries to air-conditioning, power, chemicals, gas and oil pipelines, food processing and marine





TUBE-TURN quality products used throughout the B.A. Clarkson Refinery include these carbon steel welding fittings and flanges, recently installed on the pipe manifolds of their light product line to and from the inline blender.

TUBE-TURN* welding fittings and flanges are very much in the Canadian industrial picture — wherever you find piping systems and projects, from coast to coast and into the far north.

The huge refinery of The British American Oil Co. Ltd. at Clarkson, Ontario, is a typical example of how and where TUBE-TURN welding fittings and flanges are used to save erection time and space, and make possible unimpeded flow conditions with leakproof joints in piping installations.

The cost of fittings on any piping job, regardless of size, is but a small fraction of the total cost of a piping system. It is imperative that you protect your piping investment with correctly engineered, quality-made TUBE-TURN products. They are uniform in size, circularity, and wall thickness. Each fitting is marked with complete specifications for quick, accurate identification.

Canadian distributors of TUBE-TURN products are strategically located to supply you with carbon steel, aluminum and stainless steel fittings and flanges, in sizes from ½″ to 42″ diameter.

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MANUFACTURERS OF QUALITY WELDING FITTINGS AND FLANGES

tube turns of Canada Limited

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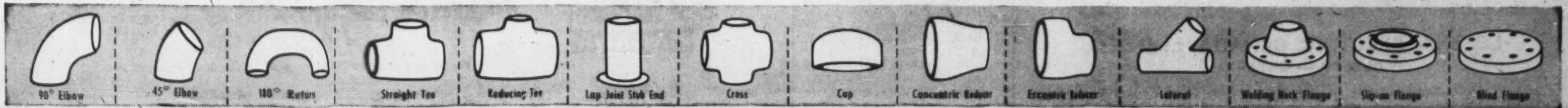
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